

TRI-COUNTY TECHNICAL COLLEGE COMPREHENSIVE ANNUAL FINANCIAL REPORT



Fiscal Year Ended June 30, 2010

Included in the Higher Education Funds of
The State of South Carolina



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Prepared by
The Division of Business Affairs



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For the Fiscal Year ended June 30, 2010

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INTRODUCTION

Fiscal Year Ended June 30, 2010



COMMISSION MEMBERS – ADMINISTRATIVE STAFF – SERVICE AREA
TRI-COUNTY TECHNICAL COLLEGE
 For the Year Ended June 30, 2010

<i>AREA COMMISSION MEMBERS</i>	<i>COUNTY</i>	<i>TERM*</i>
Ms. Helen Rosemond–Saunders, Chair	Oconee	04/97-
Mr. William H. Hudson	Oconee	04/01-
Mr. John Powell	Oconee	01/10-
Mr. George N. Acker	Pickens	04/09-04/12
Dr. Valerie Ramsey	Pickens	04/08-04/11
Mr. Milton Ponder, II	Pickens	04/10-04/13
Mr. Leon Harris, III	Anderson	05/08-05/11
Ms. Rosemary H. Lindley	Anderson	04/04-04/10
Mr. Pruitt Martin	Anderson	04/09-04/12

*Ending term is to be determined by legislature.

KEY ADMINISTRATIVE STAFF

Dr. Ronnie Booth	President
Dr. Phil Buckhiester	Vice President for Academic Affairs
Mr. Gregg Stapleton	Vice President for Business Affairs
Mr. Dan Holland	Vice President for Student Affairs
Mr. John Lummus	Vice President for Economic and Institutional Advancement
Ms. Susan Allen	Associate Vice President for Academic Affairs
Ms. Rebecca Eidson	Director of Public Relations and Communications
Ms. Sharon Colcolough	Director of Personnel
Ms. Faye Allen	Director of Fiscal Affairs

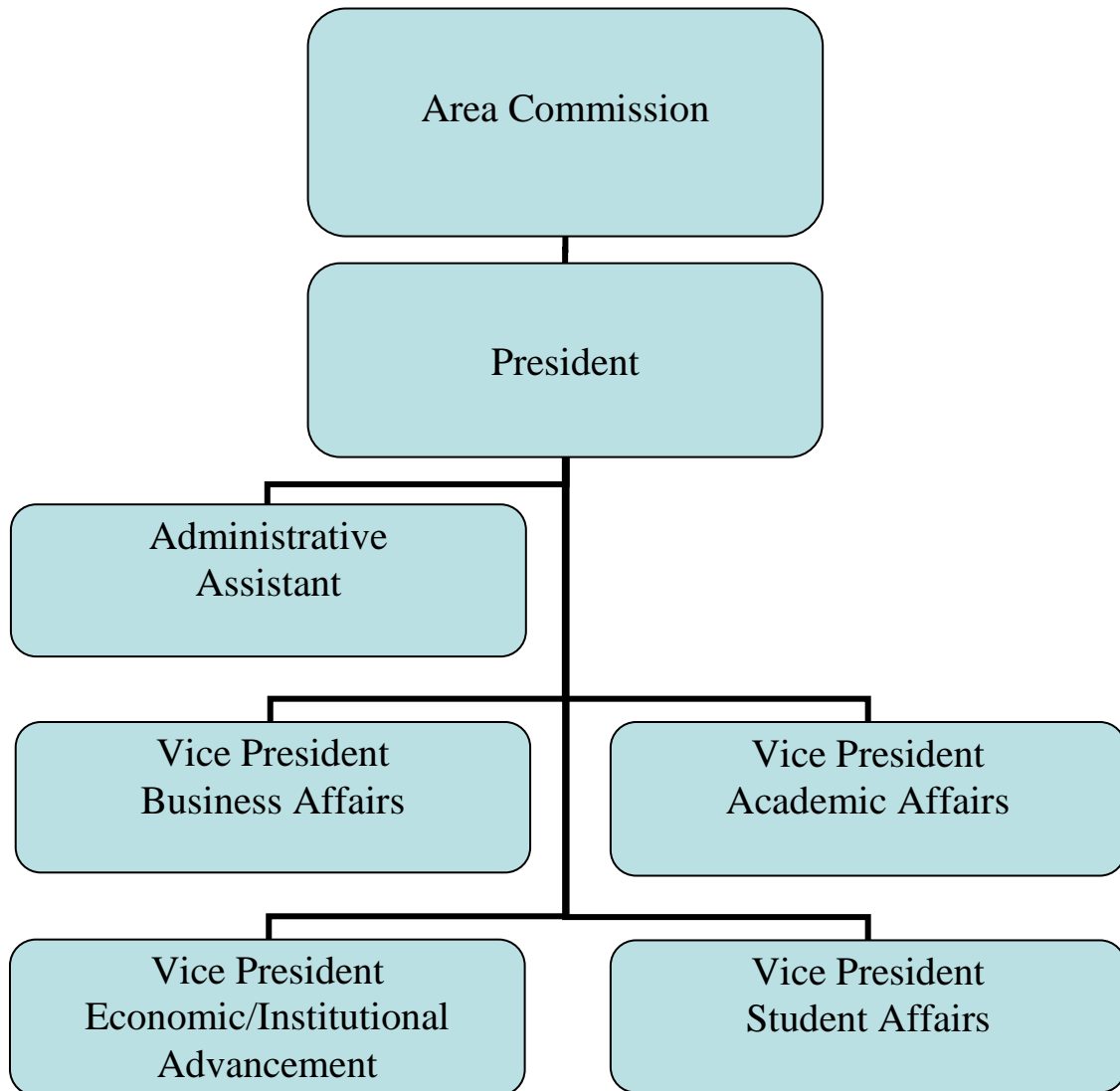
AREA SERVED BY THE COMMISSION

Anderson County
 Oconee County
 Pickens County

COUNTIES PROVIDING FINANCIAL SUPPORT

Anderson County
 Oconee County
 Pickens County

TRI-COUNTY TECHNICAL COLLEGE
SUMMARY ORGANIZATIONAL CHART





September 21, 2010

To the Members of the Area Commission for Tri-County Technical College:

It is our pleasure to present the Comprehensive Annual Financial Report of Tri-County Technical College for the year ended June 30, 2010. The report of our independent public accountants, Cline, Brandt, Kochenower Co. P.A., expresses an unqualified opinion on the basic financial statements. The Office of the Vice President for Business Affairs assumes responsibility the accuracy, completeness, and fairness of the data presented, including all disclosures. To the best of our knowledge and belief, the information presented is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College at the end of that fiscal year.

This Comprehensive Annual Financial Report is presented in four sections:

The **Introductory Section** includes: the transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2009, a listing of the members of the College's governing board and principal officials, and an organizational chart that outlines the structure of the College.

The **Financial Section** includes the independent auditors' report, the Management's Discussion and Analysis (MD&A) section, the basic financial statements, notes to the financial statements, and additional financial schedules. The MD&A provides a narrative overview and analysis of financial activities of the College for fiscal year ended June 30, 2010. Basic financial statements are prepared in accordance with generally accepted accounting principles for public colleges and universities, as defined by GASB, and the National Association of College and University Business Officers in *College and University Business Administration*. These statements allow for reasonable comparisons of the College's financial position as well as revenues, expenses, transfers and other changes in net assets with peer institutions.

The **Statistical Section** provides financial, economic, and demographic information relating to the College on a multi-year basis. This information is intended to present to readers a broad overview of trends in the financial affairs of the College.

The **Single Audit Section** includes the Schedule of Expenditures of Federal Awards, the independent auditors' report on compliance and internal control over financial reporting performed in accordance with *Government Auditing Standards* and the independent auditors' report on compliance with requirements applicable to each major program in accordance with *OMB Circular A-133*.

Entity

Tri-County Technical College is one of sixteen technical colleges in South Carolina governed by the State Board for Technical and Comprehensive Education (SBTCE). Tri-County is a comprehensive, public two-year college serving the citizens of Anderson, Oconee and Pickens counties. The College is considered as a part of the State of South Carolina reporting entity and is included in the comprehensive annual financial report of the State. The College is not legally separate, and therefore not considered a component unit of the State of South Carolina.

The College complies with Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This Statement amends GASB

Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College.

The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of Tri-County Technical College, as the primary government, and the accounts of Tri-County Technical College Foundation (the “Foundation”), its component unit. The College is part of the primary government of the State of South Carolina. Based on the nature and significance of the Foundation’s relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

History

Forty-eight years ago Tri-County Technical College became the first multi-county technical institute in South Carolina.

In early 1960, former Governor Ernest F. Hollings initiated a State Educational System, motivated by the idea that if South Carolina could offer a well-trained work force, then the State would attract more business and industry. This training was to be provided by a system of thirteen (currently sixteen) technical colleges. In 1961, the South Carolina General Assembly passed Act 323, providing for the appointment of an advisory committee to study the feasibility of establishing a network of centers for technical training in strategic locations throughout the State. The purpose of these centers was “to prepare individuals for entry into or progressing in employment in industrial and technical pursuits or designed to improve conditions which result in improved citizenship.” These centers would be located at points readily accessible to a large majority of the State’s population.

The Anderson-Oconee-Pickens Technical Education and Training Commission was created April 7, 1962, when Governor Hollings approved the enabling legislation, Act 905. The Commission was created to control and manage the Anderson-Oconee-Pickens Technical Education and Training District. The Act further provided that the local operating costs would be borne by the College’s service area as follows: Anderson County, fifty percent; Oconee County, twenty-five percent; and Pickens County, twenty-five percent.

In the fall of 1963, Tri-County Technical College opened as a Technical Education Center. The 42,000 square foot classroom/laboratory/administration building was located on a twenty-three acre tract of land, donated by Clemson University, four miles from Clemson on Highway 76, near Pendleton, SC. Clemson University has donated a total of fifty-seven acres to the College.

On April 10, 1974, the S.C. Board for Technical and Comprehensive Education approved the request of the Anderson-Oconee-Pickens Technical Education and Training Commission (The Area Commission) to change the name of the institution from Tri-County Technical Education Center to Tri-County Technical College. This change allowed the addition of the two-year associate degree programs in the Arts and Sciences to complement the technical and vocational training, developmental programs in adult education, manpower developmental training act programs, and more than 2,300 non-credit courses, seminars and workshops in continuing education.

In the past four decades enrollment has increased from 1,836 in credit and non-credit programs to over 20,000 students. The College has expanded its teaching methods from the traditional classroom and lab setting to on-line distance learning credit and non-credit courses. The main campus at Pendleton has grown from one building to fourteen buildings and has gained a national reputation for excellence. Visitors from colleges in other states and other countries regularly come to observe our academic and support programs.

The College experienced another “first” in March 2007 when the first branch campus opened in Anderson County offering both credit and non-credit courses. In September 2007, the College opened a new Oconee Campus at the Hamilton Career Center in Seneca and in spring 2009 the Watkins Community Center in Honea Path was renovated to include 4 classrooms used for community and corporate education. Land was purchased in Pickens County in preparation for a new campus in Easley. A new “QuickJobs” center was opened in Seneca, SC in May of 2010. The center is owned by Oconee County and operated by the college. It delivers targeted skills training for unemployed and underemployed workers.

As of fiscal year ending June 30 2010, the Easley campus is nearing completion including a Pickens County QuickJobs center. The first term for classes will be January 2011.

Economic Condition and Outlook

A primary mission of the South Carolina technical colleges is to support economic development through education and training for the citizens of South Carolina. Tri-County Technical College’s financial health is closely linked to the economic conditions of the State and the local communities served by the College. The State of South Carolina, together with the three counties in the College’s service area, provides approximately 30.1%(down from 33.8% for fiscal year 2009) of the College’s current *unrestricted* budget. Thus, the priorities of these political entities have a significant impact upon the funding they provide the College.

South Carolina and the Tri-County service area have continued to feel the effects of the fiscal crisis brought on by a severe recession. While unemployment in the College’s service area has improved slightly from 2009, it still remains at unhealthy levels at June 30 2010 of 11.0% for Anderson county, 11.1% for Oconee county, and 9.4% for Pickens county. These counties are struggling to meet their financial obligations to the College. In fact, starting fall 2010 a small surcharge will be charged to Pickens county students to offset the reduction of county funding. As the state continues to reduce appropriations to the College, the administration has worked proactively to stabilize finances through a combination of rigorous cost control and enrollment increases.

Historically, when the economy is weak, College enrollment increases. Because of this trend, and a robust enrollment management strategy, the College experienced its largest number of students in its history, 6758, in the fall of 2009. This was a 17.9% increase in enrollment from the previous fall term. In addition, spring term enrollment increased nearly 18.9% over the previous spring term and summer term enrollment increased nearly 13.3% over the previous summer term.

As pressures on state funding continue, the College continues to exercise cost control but is also moving to a tuition structure more in line with our sister colleges in South Carolina. Tri-County has historically been one of the lowest priced colleges in the South Carolina Technical College system, however, our need to increase tuition rates was not without concern for the impact on our students. Through free financial aid, including a doubling of Pell Grants awarded in FY 2010 we continue to substantially subsidize, or in many cases, completely underwrite tuition costs for our students.

Major Highlights/Initiatives/Achievements Fiscal Year 2010

Former College President Passes Away: Dr. Don C. Garrison, president of Tri-County for more than 32 years, died on February 27. A memorial service to honor his life and work was held on campus on May 6.

College Develops Ten-Year Vision: The College developed its Ten-Year Vision, which establishes four major elements required to be a role model for community college education; Our Educational Programs and Services, Our Student Experience, Our Organizational Culture and Our Role in the Community. Nine major strategies undergird this vision from which a comprehensive three-year strategic plan was developed to guide our growth as a College.

College Experiences Highest Enrollment in 47-Year History: Fall semester enrollment spiked at 6,758, an 18% jump over last fall. Spring enrollment peaked at 6,407, an increase of 19% over the previous spring semester.

Construction Begins on New Easley Campus: Construction began on a 40,000 square-foot academic building located on a 37.51 acre tract of land will be the site the new Easley Campus. In addition to the academic building, a QuickJobs Development Center will be constructed for workforce and industry training. The campus will open in January, 2011.

Oconee QuickJobs Development Center Opened: The Oconee County School District, legislators, county council members, the S.C. Department of Commerce and local business leaders joined College officials May 7 to celebrate the opening of the Oconee QuickJobs Development Center located at the Hamilton Career Center. The building was funded through a Department of Commerce Grant to Oconee County.

New Certified Production Technician Program Offered: The College's World Class Training Center offered a Certified Production Technician (CPT) program, which enables workers to build the core knowledge and skills needed in today's advanced manufacturing workplace. The certificate program is based on the Manufacturing Skills Standard Council (MSSC) standards and is delivered in a combination of instructor-led and computer-based instruction.

Bridge to Erskine Established: Tri-County and Erskine College officials signed an agreement on April 6 that allows students to take their first year of university transfer classes at Tri-County, following a clearly defined sequence of courses that lead to a seamless transfer to Erskine.

First Female Enrolls in Tri-County's New Automotive Technology Program: Olivia Keaton was the first female to enroll in the College's new automotive technology program, a partnership between Tri-County and Anderson School District Five's Hanna-Westside Extension Campus to offer an evening Automotive Technology program.

Duke Power Offers Co-op Experience to Students: Six Tri-County Technical College students were chosen by Duke Energy for co-op experiences at the company's Oconee Nuclear Station during fall semester. These students will gain valuable work experience while earning a paycheck.

Tri-County's MLT Grads Achieves 100% Pass Rate on National Registry: All 15 of Tri-County Technical College's 2009 Medical Laboratory Technology (MLT) grads passed the National Registry administered by the American Society of Clinical Pathology (ASCP).

Major Highlights/Initiatives/Achievements Fiscal Year 2010-continued

Tri-County Student Scores in 99th Percentile on Pharmacy College Admission Test: Alan Rusnak, who earned a Pre-Pharmacy degree from Tri-County Technical College, scored in the 99th percentile on the specialized test of 240 multiple choice/essay questions that helps to identify qualified applicants to pharmacy colleges.

Tri-County's Speech Team Brings Home Three First-Place Awards from State Competition: Three Tri-County students represented Tri-County Technical College in the 2010 South Carolina Speech and Theatre Association College Festival at Limestone College. They won first place awards in Impromptu Interpretation, Impromptu Speaking, Persuasive Speaking, and Oral Interpretation of Poetry.

Welding Department Project Earns National Recognition: Welding students from Tri-County and Clemson University collaborated on a sustainable housing project which turned a shipping container into a hurricane-resistant housing option for residents in underprivileged countries. Students traveled to Washington, DC, in April, 2010, presented their award-winning project at the Environmental Agency's 40th anniversary celebration, and received a \$75,000 grant to continue phase two of the SEED project.

Athletic Program Expands: The College expanded its athletic program by adding varsity-level women's basketball and soccer teams. The teams are sanctioned by the National Junior College Athletic Association (NJCAA) and compete within Region 10 at the Division I level.

Grant Receives A. Wade Martin Innovator of the Year Award: Industrial and Engineering Division Dean Eugene Grant earned the A. Wade Martin Innovator of the Year award for creating real-world learning experiences on campus and off and for keeping the curriculum current by offering programs that supply industry with graduates possessing the technical and mechanical skills needed in today's competitive workforce.

Steele Receives Staff Excellence Award: Kevin Steele, manager of administrative services at Tri-County Technical College, was honored at fall convocation with the highest award given to staff members, the Presidential Medallion for Staff Excellence. Kevin was recognized for his outstanding services and support of the philosophy and goals of the College.

Phelps Receives Presidential Medallion for Instructional Excellence: Paul Phelps, Welding program coordinator at the College, was honored for his dedication to the profession with the highest award presented to the faculty, the Presidential Medallion for Instructional Excellence, at the College's annual commencement May 11.

College Selects TCTEA Award Winners: Three faculty/staff members were honored as Tri-County's Educators of the Year and were recognized at the South Carolina Technical Education Association (SCTEA) meeting. Jackie Blakley, dean of the Business and Public Services Division was the outstanding administrator; Lou Ann Martin, math instructor, was the outstanding instructor; and Sue Dacus, office manager for Student Records, was the outstanding staff member.

Business Technology Named Advisory Committee of the Year: For the eighth time, the Business Technology Advisory Committee was named Advisory Committee of the Year at the College's Fall Convocation ceremony. Committee members sponsor workshops, such as this year's seminar titled "Jumpstart your Careers," and also speak in classrooms, sponsor interns, and promote the College through the community.

Major Highlights/Initiatives/Achievements Fiscal Year 2010-continued

Stewart Receives Tri-County's Order of Merit: Tri-County Technical College honored Dr. Mendel H. Stewart for his 32 years of dedicated service as a faithful member and chair of the College's Commission at the College's Annual Report luncheon. The Order of Merit is an honorary society that recognizes community and state leaders who have contributed to the development of Tri-County Technical College and the State Technical College System.

Tri-County Kicks Off First-Ever Capital Campaign: In celebration of the College's upcoming 50th anniversary and in recognition of the financial needs of the College, the Tri-County Technical College Foundation Board began its first-ever major gifts campaign. The College is working toward a goal of \$9 million and developed four initiatives to address community demands: expanding educational opportunities, improving technology and equipment, enhancing opportunities for student success, and promoting economic and community development. Oconee Medical Center made a lead gift toward the College's Golden Opportunities Capital Campaign at the College's Annual Report luncheon. OMC's funds created an endowment for nursing excellence, which will support nursing faculty professional development activities, lab equipment for the program, and other priority needs.

Fall Classic Raises Over \$30,000: The College's Foundation raised \$31,391 at its fifth annual invitation-only Fall Classic golf tournament. 92 golfers participated in the tournament, which raised funds for the College initiative: Enhancing Opportunities for Student Success. Reliable Sprinkler was the major tournament sponsor.

2009 Philanthropists of the Year Named: Bob and Jane Harris received the Philanthropists of the Year award at a November 19 meeting of the College's Foundation Board. The Harrises endowed a scholarship and named the Science Laboratory at the College's Oconee Campus.

AdvanceSC Grants Purchase Equipment for Tri-County's QuickJobs Training Centers and Fund MSSC Training: A \$100,000 grant from AdvanceSC allowed the College to purchase equipment necessary to teach basic skills training classes at its QuickJobs Training Centers in Oconee and Pickens counties and at the Watkins Center in Honea Path. An additional \$250,000 grant allowed the College to conduct industry-based Manufacturing Skill Standards Council (MSSC) training to assist in providing area companies with a qualified, more productive workforce. MSSC certification is a top national credential in industry.

AT&T Donates to Support Major Gifts Campaign: Tri-County Technical College received additional support from the local business community with a \$50,000 gift from AT&T. The contribution to the College's major gift campaign was used to support small businesses through the College's Center for Entrepreneurship and Economic Development.

Spring Open Raises Scholarship Funds and Provides Athletic Assistance: The Alumni Association and Athletics Department co-hosted the Spring Open golf tournament, which raised nearly \$7,000 for student scholarships and athletic assistance.

Hundreds Attend College and Career Fair: TRiO's Student Support Services Program and the College's Career Services Office collaborated to connect students and community leaders with businesses and other colleges at its 17th Annual College and Career Fair held March 10. Dozens of companies and hundreds of interested job seekers participated in the event.

Major Highlights/ Initiatives/Achievements Fiscal Year 2010-continued

College Hosts FIRST LEGO League Tournament: The College hosted the 2010 FLL Regional Tournament on February 20. Thirteen teams of students from area middle schools built autonomous robots and competed to earn points.

Community Enjoys Bluegrass and Fireworks: The largest crowd ever attended the fifth annual Bluegrass under the Stars event, a free concert for the community held April 3. Clemson Area Transit was the premium sponsor.

College Holds First 5K Run: “Run for the Health of It” was the tagline for the College’s first annual Road Race on May 29 the Anderson Campus. Proceeds went toward health education student scholarships and other program needs.

Newly-Established Chorus Holds First Concert: The College presented its debut choral concert featuring solo and group performances. Directed by music instructor Lori Gourdin, students from men’s, women’s, and mixed choruses performed a choral arrangement of songs.

SGA Spearheads Fund-Raiser for Earthquake Victims: Faculty, staff, and students joined together to help fund the relief and rebuilding efforts taking place in earthquake-ravaged Haiti. The SGA and student clubs and organizations collected \$1,111 in donations from both Pendleton and Anderson campuses. These funds assisted the Red Cross in providing immediate relief and long-term support through supplies, technical assistance, and other support to help those in need.

Energy Summit Unites Experts and Industry Leaders: The College joined with Anderson County to sponsor the first Tri-County Energy Summit and Expo, which drew 150 participants and brought together industry and policy experts for an interactive day of discussions and presentations focusing on reducing energy costs and providing tools and resources to help transform Upstate industry into energy efficient, role models for South Carolina.

Major Initiatives Fiscal Year 2011

The following initiatives for fiscal year 2011 have been extracted from the “Priorities and Critical Initiatives” sections in the College 3-Year Strategic Plan.

- Complete Easley Campus Construction
- Establish University Transfer Certificate Program.
- Complete a Service Area Needs Assessment.
- Develop a College Master Plan
- Develop a Complete Online Degree Program.
- Develop a Small Business Entrepreneurial Program.
- Develop a Comprehensive Orientation and Advising Process
- Integrate Learning Excellence Initiative Principles and Practices
- Complete a Feasibility Study for a New Student Center
- Expand College Readiness Initiative
- Promote a More Diverse Workforce.
- Create a Leadership Development Program.
- Complete Pendleton Parking Facility
- Continue Major Gifts Campaign.
- Create a multi-campus strategy

Financial Information

Internal Control Structure and Budgetary Control

The management of the Office of the Vice President of Business Affairs is responsible for establishing and maintaining an effective system of internal control. The system of internal control is designed to ensure that certain organizational objectives are met. Accordingly, organizational structure, policies, and procedures have been established to safeguard assets, ensure the reliability of accounting data, promote efficient operations, and ensure compliance with established governmental laws, regulations and policies, College policies, and other requirements of sponsors to whom the College is accountable. The internal accounting control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that:

the cost of a control should not exceed the benefits likely to be derived and,

2) the evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of federal financial awards, the College is responsible for ensuring compliance with all applicable laws and regulations relating to such assistance. A combination of State and College policies and procedures, integrated with the College's system of internal controls, provides for this compliance. The College undergoes an annual examination of its federal financial assistance programs in accordance with U.S. Office of Management and Budget Circular A-133.

The College maintains budgetary controls in the form of line-item budgets and budget transfer restrictions. The objective of these budgetary controls is to ensure compliance with the annual budget adopted by the Area Commission. The College maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Open encumbrances are reported as appropriated fund balance at year-end. As demonstrated by the financial statements and schedules included in the financial section of this report, management of the College continues to meet its responsibility for sound financial management.

Debt Administration

As of June 30 2010 the only long term debt for the College is capital lease payable of \$6,948,285.

Cash Management

Substantially all of the College's cash is deposited in a local bank account maintained by the College according to the State policies. Idle cash is invested in repurchase agreements, public funds account and certificates of deposit, which are collateralized with obligations of the U.S. Government. Investment earnings for fiscal year ended June 30, 2010 totaled \$54,296.

Risk Management

The State of South Carolina (rather than an insurance carrier) assumes substantially all risks associated with:

Claims of State employees for unemployment compensation benefits;

Claims of covered employees for workers' compensation benefits;

Claims of covered public employees for health insurance, dental insurance and group life insurance benefits (insurance carriers, however, provide claims administration services).

In addition, the State maintains an Insurance Reserve Fund to cover risks associated with:

Real property including public buildings, local public schools and their content;

Motor vehicles, school buses and aircraft;

General tort claims that parties may file against the State or its political subdivisions;
Medical malpractice claims that parties may file against covered hospitals; and
Business interruptions.

The Insurance Reserve Fund purchases insurance coverage for a portion of these risks. The College also obtains employee fidelity bond insurance coverage for all employees through the Insurance Reserve Fund, also, for losses arising from theft or misappropriation. The College believes that all coverage is sufficient to preclude any significant uninsured losses.

Independent Audit

Cline, Brandt, Kochenower & Co. P.A. has audited the financial statements. The Independent Auditors' Report is included in the financial section of this report and reflects an unqualified opinion on the basic financial statements. The College complies with the requirements of the Single Audit Act for which separate reports are issued.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tri-County Technical College for its *Comprehensive Annual Financial Report* (CAFR) for the fiscal year ended June 30, 2008. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the ninth year the College prepared and submitted the CAFR to GFOA and received the award.

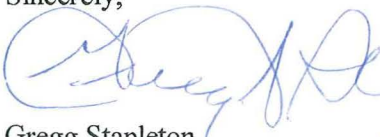
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized *Comprehensive Annual Financial Report* whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The preparation of the *Comprehensive Annual Financial Report* is a coordinated effort by various units in the College. We would like to express appreciation to all who contributed to the preparation of this report.

Sincerely,



Gregg Stapleton
Vice President Business Affairs



Faye Allen, CGFO
Director of Fiscal Affairs

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Tri-County Technical College
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial
Reporting is presented by the Government Finance Officers
Association of the United States and Canada to
government units and public employee retirement
systems whose comprehensive annual financial
reports (CAFRs) achieve the highest
standards in government accounting
and financial reporting.



President

Executive Director

FINANCIAL

Fiscal Year Ended June 30, 2010



CLINE BRANDT KOCHENOWER
& Co., P.A.
Certified Public Accountants
Established 1950

Independent Auditors' Report

Tri-County Technical College
Pendleton, South Carolina

We have audited the accompanying financial statements of the business-type activities of Tri-County Technical College as of and for the years ended June 30, 2010 and June 30, 2009, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, the Tri-County Technical College Foundation, Inc. and Subsidiary. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the discretely presented component unit, the Tri-County Technical College Foundation, Inc. and Subsidiary, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *State Board for Technical and Comprehensive Education Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Tri-County Technical College Foundation, Inc. and Subsidiary were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Tri-County Technical College and its discretely presented component unit, as of June 30, 2010 and June 30, 2009 and the changes in financial position, and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. As described in Note 1 to the financial statement, the college has adopted the mandate of the SC Comptroller General Office for the classification of PELL grant revenues.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2010 on our consideration of Tri-County Technical College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

We have also issued our report dated September 21, 2010 on our consideration of Tri-County Technical College administration of the State Lottery Assistance Program and on our test of its compliance with certain provisions of State law and policy 3-2-307 and Procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Tri-County Technical College's financial statements as a whole. The introductory section, the supplemental financial statements and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of the College. The supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in blue ink, appearing to read "Clint Brantley" followed by a stylized flourish and the initials "E. C. Brantley".

September 21, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
TRI-COUNTY TECHNICAL COLLEGE
June 30, 2010

As management of Tri-County Technical College, ("*the College*") we offer readers of the College's financial statements this narrative overview and analysis of the financial activities of the College for the fiscal year ended June 30, 2010. This discussion should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Financial Highlights

- The assets of Tri-County Technical College exceeded its liabilities at June 30, 2010 by \$52,150,196 (net assets). Of this amount, \$5,360,967 (unrestricted net assets) may be used to meet the College's ongoing obligations.
- The College's net assets increased by \$4,141,971 or 8.6%, primarily in the category of non-current assets.
- The College experienced an operating loss of \$23,741,710 as reported in the Statement of Revenues, Expenses, and Changes in Net Assets. The operating loss increased by \$6,311,635 from fiscal year 2009 due to scholarships awarded to students doubling. Also the State Stimulus funds (ARRA) was mandated to be recorded as non-operating revenue. However, State appropriations of \$7,195,101, local appropriations of \$3,600,226, State grants and contracts of \$548,619, Federal grants and contracts of \$15,045,123, other non-operating revenues of \$658,199, and capital appropriations of \$1,274,473 for a total of \$28,321,741 to offset this operating loss.

Overview of the Financial Statements

The College is engaged only in Business-Type Activities (BTA) that are financed in part by fees charged to students for educational services. Accordingly, its activities are reported using the three financial statements required for proprietary funds: Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; and Statement of Cash Flows.

The Statement of Net Assets presents the financial position of the College at the end of the fiscal year and classifies assets and liabilities into current and non-current. The difference between total assets and total liabilities is net assets, which are displayed in three broad categories: invested in capital assets (net of related debt), restricted, and unrestricted. Net assets are one indicator of the current financial condition of the College, while the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year.

The Statement of Revenues, Expenses, and Changes in Net Assets is basically a statement of net income that replaces the fund perspective with the entity-wide perspective. Revenues and expenses are categorized by operating and non-operating, and expenses are reported by object type.

The Statement of Cash Flows will aid readers in identifying the sources and uses of cash by the major categories of operating, capital and related financing, non-capital financing, and investing activities. This statement also emphasizes the College's dependence on State and county appropriations by separating them from operating cash flows.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
 TRI-COUNTY TECHNICAL COLLEGE

Financial Analysis

Statement of Net Assets:

Net assets may serve over time as a useful indicator of an entity's financial position. In the case of the College, assets exceeded liabilities by \$52,150,196 at the close of fiscal year 2010, and by \$48,008,225 at the close of fiscal year 2009.

By far the largest portion of the College's net assets (59.1%) reflects its *investment in capital assets* (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The College uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Unrestricted net assets of \$5,360,967 (10.3%) may be used to meet the College's ongoing obligations.

Restricted net assets of \$15,907,223 will be used to meet the College's capital project needs to provide academic space and long-term maintenance of physical plant.

The following schedule is prepared from the College's statement of net assets which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated. Note that assets substantially exceed liabilities denoting a sound financial condition for the College.

Net Assets
As of June 30, 2010 and June 30, 2009
 (In millions)

	30-Jun 2010	30-Jun 2009	Increase (Decrease)
ASSETS			
Current Assets	\$26.86	\$26.19	\$0.67
Non-current Assets	\$0.05	\$0.04	\$0.01
Capital Assets, Net of Depreciation	\$37.83	\$34.20	\$3.63
TOTAL ASSETS	\$64.85	\$60.43	\$4.42
LIABILITIES			
Current Liabilities	\$4.87	\$4.28	\$0.59
Non-current Liabilities	\$7.72	\$8.14	(\$0.42)
TOTAL LIABILITIES	\$12.59	\$12.42	\$0.17
NET ASSETS			
Investment in Capital Assets	\$30.88	\$26.86	\$4.02
Restricted	\$15.91	\$16.37	(\$0.46)
Unrestricted	\$5.36	\$4.78	\$0.58
TOTAL NET ASSETS	\$52.15	\$48.01	\$4.14

Total assets increased by 7.1%, the result of:

Increase in cash and investments.

Increase in capital assets with the construction of the Easley campus.

Total liabilities increased by 1.4%, the result of:

Current accounts payable obligations.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
 TRI-COUNTY TECHNICAL COLLEGE

Statement of Revenues, Expenses, and Changes in Net Assets:

The "Statement of Revenues, Expenses and Changes in Net Assets" presents and categorizes revenues earned and expenses incurred during the year by operating and non-operating. Generally, operating revenues and expenses are those received and used to carry out the mission of the College; however, the College depends heavily on financial support from the state and counties for which it provides services. This support is reflected as non-operating revenue based on governmental accounting standards; therefore, the College will always reflect an operating deficit and its dependence on state and local funding. Non-operating revenues and expenses offset the operating deficit and result in an overall increase in net assets for the year. State and local capital appropriations and capital grants and gifts are considered neither operating nor non-operating revenues and are reported below "Income before other revenues, expenses, gains or losses".

Summary of Revenue

Highlights of changes:

Operating Results For the Year Ended June 30, (in millions)				
	30-Jun 2010	30-Jun 2009	Increase Decrease	Percent Change
Operating Revenue				
Tuition and Fees(net of scholarship allow)	\$14.45	\$10.97	\$3.48	31.72%
Grants, Contracts and other	\$13.37	\$13.24	\$0.13	0.01%
Auxiliary(net of book allowance)	\$2.44	\$2.35	\$0.09	3.83%
Total Operating Revenue	\$30.26	\$26.56	\$3.70	13.93%
Less Operating Expenses	\$54.00	\$43.98	\$10.02	22.78%
Net Operating Loss	(\$23.74)	(\$17.43)	(\$6.31)	36.20%
Non-Operating Revenue				
State Appropriations	\$7.20	\$7.57	(\$0.37)	(4.89%)
Local Appropriations	\$3.60	\$3.53	\$0.07	1.98%
Other Grants and Contracts	\$16.20	\$8.26	\$7.94	96.13%
Investment Income	\$0.05	\$0.12	(\$0.07)	(58.33%)
Total Non-Operating Revenue	\$27.05	\$19.47	\$7.58	38.93%
Less Interest on Capital Debt	\$4.38	\$3.47	\$0.91	26.22%
Net Revenues over Expenses before Capital Contributions	\$2.87	\$1.69	\$1.18	69.82%
Capital Appropriations, Grants and Contracts, Gains/Losses	\$1.27	\$1.55	(\$0.28)	(18.06%)
Increase in Net Assets	\$4.14	\$3.24	\$0.90	27.78%
Net Assets, Beginning of Year	\$48.01	\$44.77	\$3.24	7.24%
Net Assets, End of Year	\$52.15	\$48.01	\$4.14	8.62%
Total Revenues	\$58.58	\$47.57	\$11.01	23.14%

The College experienced a 17.9% increase in enrollment for fall term and a 18.9% increase in enrollment for spring term for FY10.

Tuition increased by 3.7% beginning fall term 2009.

Auxiliary revenue increased in proportion with the increase in enrollment.

The SC Comptroller General's office mandated that Pell grants be re-classified as non-operating revenues from operating revenues; therefore, the FY09 financial statements were restated in order to standardize comparisons between FY09 and FY10

The College received Stimulus funds (ARRA) and recorded them as non-operating grants and contracts per State guidelines.

State appropriations decreased 4.89% during FY10 and investment income decreased due to declining interest rates.

Total capital contributions decreased by 18.06% due to a decline in local capital appropriations and State lottery equipment funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
 TRI-COUNTY TECHNICAL COLLEGE

Summary of Expenses

Operating Expenses For the Year Ended June 30, (in millions)				
	30-Jun 2010	30-Jun 2009	Increase (Decrease)	Percent Change
Operating Expenses				
Instruction	\$18.59	\$17.01	\$1.58	9.29%
Academic Support	\$2.93	\$2.77	\$0.16	5.78%
Student Services	\$6.75	\$6.13	\$0.62	10.11%
Operations and Maintenance of Plant	\$3.99	\$3.51	\$0.48	13.68%
General Administration	\$3.34	\$2.88	\$0.46	15.97%
Scholarships	\$10.50	\$4.95	\$5.55	112.12%
Auxiliary	\$5.28	\$3.71	\$1.57	42.32%
Depreciation	\$2.63	\$3.02	(\$0.39)	(12.91%)
Total Operating Expenses	\$54.00	\$43.98	\$10.02	22.78%
Total all Expenses	\$54.44	\$44.33	\$10.11	22.81%

Highlights of changes:

Operating expenses have increased due to double digit increases in enrollment.

- Adjunct instructors
- Educational supplies
- Fee waivers
- Bank card service fees
- Security and other physical plant activities
- Bookstore costs

In addition, the College refurbished many key areas such as student records office, counseling center, and student lounge as part of strategies to improve student success and student life.

The College also took over the operations of café and vending services for which start up costs were incurred.

Statement of Cash Flows:

The "Statement of Cash Flows" is concerned solely with the flows of cash in and out of the College. Consequently, only transactions that affect the College's cash account is reported in this statement.

Summary of Cash Flows

Cash Flows Analysis For the Year Ended June 30, 2010 With Comparative Totals for June 30, 2009 (in millions)			
	30-Jun 2010	30-Jun 2009	Difference
Net cash used by operating activities	(\$21.31)	(\$13.93)	(\$7.38)
Net cash flows from non-capital financing activities	\$27.01	\$19.34	\$7.67
Net cash flows used by capital and related financing activities	(\$2.69)	(\$1.83)	(\$0.86)
Net cash flows from investing activities	\$0.05	\$0.14	(\$0.09)
Net increase(decrease) in cash	\$3.06	\$3.72	(\$0.66)

The College experienced a 17.74% net decrease in cash flow compared to fiscal year 2009. Highlights of changes:

Cash used (outflow) by operating activities increased due to scholarships awarded to students increasing by 112%.

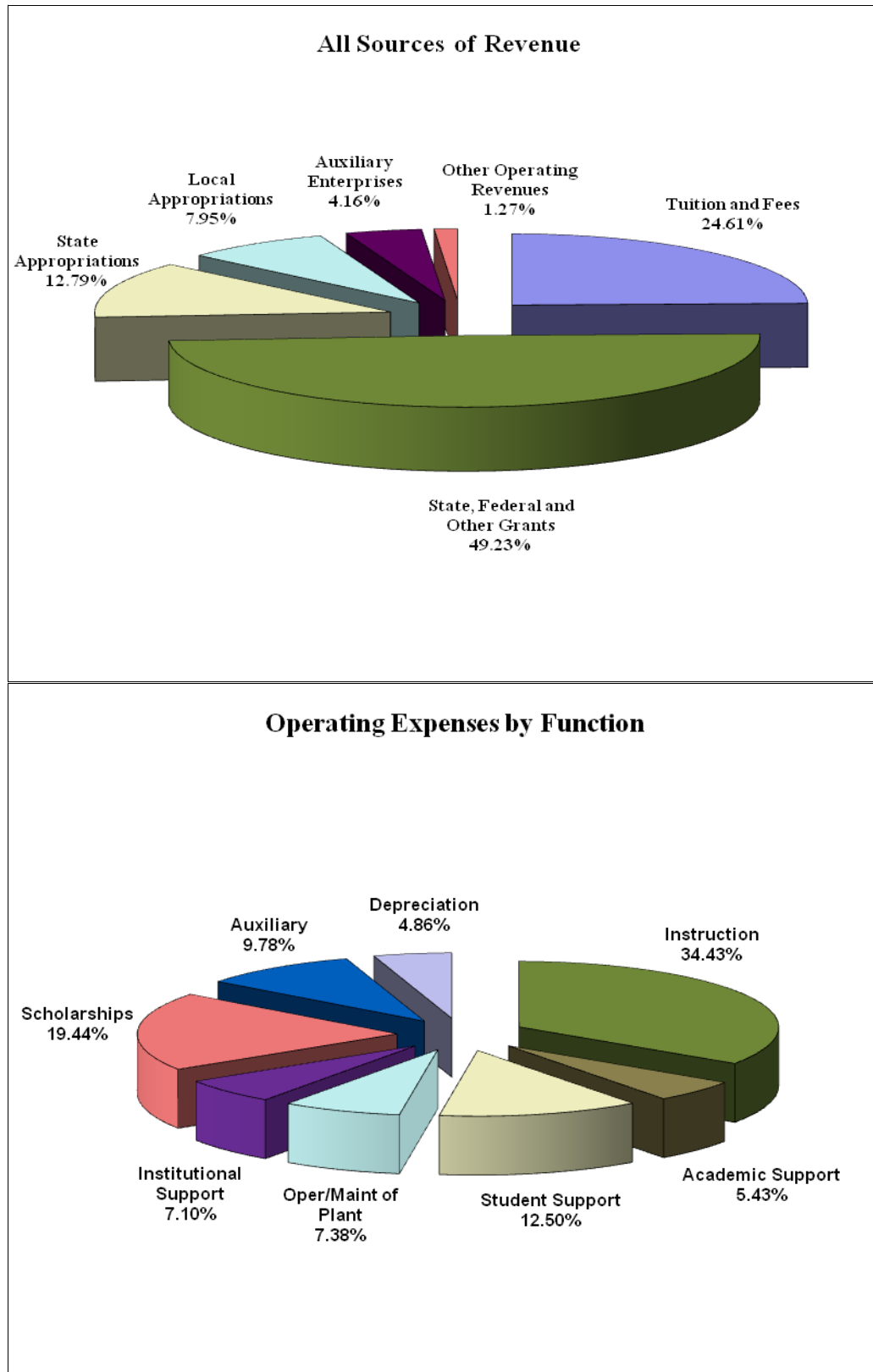
The SC Comptroller General's office mandated that Pell grants be re-classified as non-operating revenues from operating revenues; therefore, the FY09 financial statements were restated in order to standardize comparisons between FY09 and FY10

Cash inflow from non-capital financing activities increased due to doubling of scholarship funds for students.

Cash outflow by capital and related financing activities increased due to the construction of the Easley campus and refurbishment of student areas at the Pendleton campus.

Cash inflow from investing activities decreased due to interest rates being low and the outflow of funds to pay for construction costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
TRI-COUNTY TECHNICAL COLLEGE



MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) - Continued
TRI-COUNTY TECHNICAL COLLEGE

Capital Asset and Debt Administration

The College's capital assets total \$37,830,291, a 10.6% increase over fiscal year 2009. This is the result of the construction of the Easley Campus Occupational Center building. The costs are recorded in the asset, Construction in Progress until completion of the project. More detailed information on long-term debt activity and capital asset activity can be found in notes 2, 6, and 12 following the basic financial statements.

As of June 30 2010 the only long term debt for the College is capital lease payable of \$6,948,285.

Economic Factors

It has been another difficult year for South Carolina, the nation and the College as the fiscal crisis brought on by the recession continues. The state of South Carolina was forced to cut funding to higher education in the wake of state revenue shortfalls. The college continues to operate on a fiscally sound basis, however, with additional funding provided by enrollment increases and a relentless effort to control costs acting to offset reductions in FY 2010 state funding.

Historically, when the economy is weak, College enrollment increases. While unemployment in the College's service area has improved slightly from 2009, it still remains at unhealthy levels at June 30 2010 of 11.0% for Anderson county, 11.1% for Oconee county, and 9.4% for Pickens county. Because of this trend and a robust enrollment management strategy, the College experienced its largest number of students in its history, 6758, which represented a 17.9% increase in enrollment from the previous fall term. In addition, spring term enrollment increased nearly 18.9% over the previous spring term and summer term enrollment increased nearly 13.3% over the previous summer term.

BASIC FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2010



Statement of Net Assets
Tri-County Technical College
June 30, 2010 and June 30, 2009

ASSETS	FY10	FY09
Current assets:		
Cash and cash equivalents--Note 3	\$ 19,868,694	\$ 16,809,341
Accounts receivable, net of allowance--Note 4	6,193,464	8,442,155
Inventories	597,737	565,278
Prepaid expenses - other assets	203,974	368,514
Total Current Assets	26,863,869	26,185,288
Noncurrent assets:		
Restricted cash and cash equivalents--Note 3	47,183	45,088
Capital assets, net of accumulated depreciation--Note 6	37,830,291	34,203,475
Total Noncurrent Assets	37,877,474	34,248,563
TOTAL ASSETS	\$ 64,741,343	\$ 60,433,851
LIABILITIES		
Current liabilities		
Accounts payable--Note 5	\$ 1,571,505	\$ 1,076,289
Accrued liabilities	41,789	35,249
Accrued annual leave-current portion--Note 12	122,919	124,361
Unearned Revenue	2,790,907	2,727,454
Loans payable-current portion--Note 11	9,469	-
Capital lease payable-current portion--Note 10	335,000	320,000
Total Current Liabilities	\$ 4,871,589	\$ 4,283,353
Noncurrent Liabilities		
Accrued annual leave--Note 12	\$ 1,106,273	\$ 1,119,252
Capital lease payable--Note 10 and 12	6,613,285	7,023,021
Total Noncurrent Liabilities	7,719,558	8,142,273
TOTAL LIABILITIES	\$ 12,591,147	\$ 12,425,626
NET ASSETS		
Invested in capital assets, net of related debt	\$ 30,882,006	\$ 26,860,454
Restricted for:		
Expendable:		
Debt service	-	495
State Capital Project fund	47,183	44,593
Capital Projects	15,860,040	10,673,794
Capital Reserve fund	-	5,650,433
Unrestricted	5,360,967	4,778,456
Total Net Assets	52,150,196	48,008,225
TOTAL LIABILITIES AND NET ASSETS	\$ 64,741,343	\$ 60,433,851

See accompanying notes to financial statements.

Statement of Revenues, Expenses, and Changes in Net Assets
Tri-County Technical College
For the years ended June 30, 2010 and June 30, 2009

REVENUES	FY10	FY09
Operating Revenues:		
Student tuition and fees (net of \$8,980,810 scholarship allowances)	\$ 14,446,672	\$ 10,967,806
Federal grants and contracts	4,841,904	5,313,620
State grants and contracts	6,985,097	6,399,479
Non-governmental contracts	1,459,367	1,455,772
Auxiliary enterprises (net of \$3,290,287 scholarship book allowance)	2,443,019	2,349,486
Other operating revenues	86,087	67,360
TOTAL OPERATING REVENUES	30,262,146	26,553,523
EXPENSES		
Operating Expenses		
Salaries	19,575,222	18,614,189
Benefits	5,120,425	4,896,098
Scholarships	10,498,294	4,948,979
Utilities	834,952	817,889
Supplies and other services	10,838,092	8,385,212
Auxiliary resale costs	4,511,442	3,294,512
Depreciation	2,625,429	3,026,719
TOTAL OPERATING EXPENSES	54,003,856	43,983,598
OPERATING LOSS	(23,741,710)	(17,430,075)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	7,191,310	7,561,326
State appropriations-CHE	3,791	5,629
Local appropriations	3,600,226	3,530,344
Federal grants and contracts	15,045,123	6,979,344
State grants and contracts	548,619	550,710
Other nonoperating revenues	630,140	719,534
Interest income	54,296	116,976
Gain(Loss) on disposal of leased asset	(26,237)	6,713
Interest on capital asset-related debt	(438,060)	(346,884)
NET NONOPERATING REVENUES	26,609,208	19,123,692
INCOME BEFORE OTHER REVENUE, EXPENSES AND GAINS OR LOSSES	2,867,498	1,693,617
NSF-CORD	12,848	-
State appropriations-Lottery Technology	198,537	302,540
Local capital appropriations	1,063,088	1,246,913
TOTAL OTHER	1,274,473	1,549,453
INCREASE IN NET ASSETS	4,141,971	3,243,070
NET ASSETS		
NET ASSETS - BEGINNING OF THE YEAR	48,008,225	44,765,155
NET ASSETS - END OF THE YEAR	\$ 52,150,196	\$ 48,008,225

See accompanying notes to financial statements.

Statement of Cash Flows
Tri-County Technical College
For the years ended June 30, 2010 and June 30, 2009

	<u>FY10</u>	<u>FY09</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	\$ 14,231,623	\$ 10,395,015
Federal grants & contracts	(5,571,310)	89,486
State grants & contracts	6,965,639	6,670,143
Non governmental grants & contracts	1,295,241	2,502,640
Auxiliary Enterprise	(2,100,882)	(827,395)
Payments to suppliers	(11,508,504)	(9,428,341)
Payments to employees	(24,703,528)	(23,403,123)
Other receipts	86,087	67,360
NET CASH USED BY OPERATING ACTIVITIES	<u>(21,305,634)</u>	<u>(13,934,215)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	7,183,059	7,563,348
Local appropriations	3,600,226	3,530,344
Federal grants and contracts	15,045,123	6,979,344
State grants and contracts	548,619	550,710
Other grants and contracts	630,140	719,534
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>27,007,167</u>	<u>19,343,280</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
County appropriations for capital	1,063,088	1,246,913
Federal grants for capital	12,848	-
State capital reserve fund appropriations	-	333,605
State lottery technology	198,537	302,540
State capital assets-payable	-	(1,361)
Purchases of capital assets	(6,616,406)	(2,277,191)
Disposal of capital assets	(26,237)	6,713
Proceeds from capital assets	3,497,136	387,581
Principle paid on capital debt	(385,267)	(1,477,748)
Interest paid on capital debt	(438,060)	(346,884)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (2,694,361)</u>	<u>\$ (1,825,832)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	54,276	137,266
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>\$ 54,276</u>	<u>\$ 137,266</u>
NET INCREASE IN CASH	3,061,448	3,720,499
CASH - BEGINNING OF THE YEAR	<u>16,854,429</u>	<u>13,133,930</u>
CASH - END OF YEAR	<u><u>\$ 19,915,877</u></u>	<u><u>\$ 16,854,429</u></u>

See accompanying notes to financial statements.

Statement of Cash Flows
Tri-County Technical College
For the years ended June 30, 2010 and June 30, 2009

	<u>FY10</u>	<u>FY09</u>
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating expenses over revenues	\$ (23,741,710)	\$ (17,430,075)
Depreciation expense	2,625,429	3,026,719
 CHANGES IN ASSETS AND LIABILITIES		
Accounts receivable	(906,597)	(246,325)
Inventory	(32,459)	(28,791)
Prepaid expenses	164,540	(225,240)
Accounts payable	529,591	43,665
Unearned revenue	63,453	818,668
Accrued liabilities	6,540	(203)
Compensated absences	(14,421)	107,367
 NET CASH (USED) BY OPERATING ACTIVITIES	<u><u>\$ (21,305,634)</u></u>	<u><u>\$ (13,934,215)</u></u>

See accompanying notes to financial statements.

Component Unit of
Tri-County Technical College

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
TRI-COUNTY TECHNICAL COLLEGE FOUNDATION, INC.

	June 30,	
	2010	2009
ASSETS		
Cash and cash equivalents	\$ 134,399	\$ 987,176
Board designated cash	2,790	3,140
Pledges receivable, net of discount	475,013	386,880
Accrued interest receivable	67,514	81,165
Student Loans receivable	5,787	6,442
Investments	14,389,869	12,033,502
Property, plant and equipment, net of accumulated depreciation	7,734,160	7,881,082
Bond issue costs, net of accumulated amortization	48,001	51,151
TOTAL ASSETS	\$ 22,857,533	\$ 21,430,538
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	120,319	42,143
Bonds payable	6,800,000	7,120,000
Total Liabilities	\$ 6,920,319	\$ 7,162,143
Net Assets		
Unrestricted	1,867,016	1,999,987
Unrestricted, Board-designated	969,951	815,373
Temporarily Restricted	1,875,510	1,816,729
Permanently Restricted	11,224,737	9,636,306
Total Net Assets	15,937,214	14,268,395
TOTAL LIABILITIES AND NET ASSETS	\$ 22,857,533	\$ 21,430,538

The accompanying notes are an integral part of these consolidated financial statements.

Component Unit of
Tri-County Technical College

CONSOLIDATED STATEMENTS OF ACTIVITIES
TRI-COUNTY TECHNICAL COLLEGE FOUNDATION, INC.
For the Years Ended June 30, 2010 and 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Combined Total	Combined Total	Combined Total
Revenues, Gains, and Other Support						
Contributions	\$ 54,518	\$ 415,534	\$ 771,609	\$ 1,241,661	\$ 1,018,332	\$ 1,018,332
Investment income	-	280,185	-	280,185	292,271	292,271
Rental income	603,968	-	-	603,968	601,718	601,718
Interest income	1,189	-	-	1,189	8,819	8,819
Partnership income (loss)	-	(9,257)	-	(9,257)	(20,828)	(20,828)
Net realized gains on investments	-	84,754	-	84,754	36,099	36,099
Net unrealized losses on investments	-	968,038	-	968,038	(3,353,973)	(3,353,973)
Other income	-	19,855	-	19,855	20,766	20,766
Total Revenues, Gains, and Other Support	659,675	1,759,109	771,609	3,190,393	(1,396,796)	(1,396,796)
Net Assets Released From Restrictions	883,506	(883,506)	-	-	-	-
Expenses						
Program services						
Scholarships	351,746	-	-	351,746	422,512	422,512
Educational support	479,950	-	-	479,950	559,033	559,033
Pledge discount	1,690	-	-	1,690	10,639	10,639
Depreciation and amortization	165,072	-	-	165,072	165,195	165,195
Management and general	168,533	-	-	168,533	100,265	100,265
Interest expense	283,968	-	-	283,968	296,718	296,718
Fund raising	70,615	-	-	70,615	115,397	115,397
Total Expenses	1,521,574	-	-	1,521,574	1,669,759	1,669,759
Changes in Net Assets	21,607	875,603	771,609	1,668,819	(3,066,555)	(3,066,555)
NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	2,815,360	1,816,729	9,636,306	14,268,395	17,334,950	17,334,950
Prior Period Reclassification of Net Assets	-	(750,000)	750,000	-	-	-
NET ASSETS, BEGINNING OF YEAR, RESTATED	2,815,360	1,066,729	10,386,306	17,334,950	17,334,950	17,334,950
Non-Operating Reclassifications of Net Assets	-	(66,822)	66,822	-	-	-
NET ASSETS AT END OF YEAR	\$ 2,836,967	\$ 1,875,510	\$ 11,224,737	\$ 15,937,214	\$ 14,268,395	\$ 14,268,395

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE
June 30, 2010 and June 30, 2009

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Tri-County Technical College (“*the College*”), a member institution of the South Carolina Technical College System, provides a range of educational programs to meet the needs of the adult population of Anderson, Oconee, and Pickens counties. Included in this range of programs are technical and occupational associate degree, diploma and certificate curricula that are consistent with the needs of employers in the College’s service area. As an integral part of this mission, the College provides a program of continuing education designed to satisfy the occupational demands of employers through retraining and upgrading the skills of individual employees. The College also provides a variety of developmental education programs, support services and offerings to assist students in meeting their personal and professional educational objectives.

Reporting Entity: The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of Tri-County Technical College, as the primary government, and the accounts of Tri-County Technical College Foundation (the “Foundation”), its component unit. The College is part of the primary government of the State of South Carolina. However, based on the nature and significance of the Foundation’s relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The 45-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation’s operations and reporting model are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Because it is considered impractical to reformat the nongovernmental data into the governmental format, no modifications have been made to the Foundation’s financial information in the College’s financial reporting entity for these differences.

However, significant note disclosures to the Foundation’s financial statements have been incorporated into the College’s notes to the financial statements. (See the Component Unit Section within this Summary of Significant Accounting Policies and Notes 13 and 17.)

Financial statements for the Foundation can be obtained by mailing a request to Tri-County Technical College Foundation, P.O. Box 587, Pendleton, SC 29670.

NOTES TO THE FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Financial Statements: The financial statement presentation for the College meets the requirements of Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation provides a comprehensive, entity-wide perspective of the College's net assets, revenues, expenses and changes in net assets and cash flows that replaces the fund-group perspective previously required.

The financial statements are presented within the College's Comprehensive Annual Financial Report (CAFR). The CAFR also includes an introductory section and statistical section. The College's CAFR meets the requirements of the new GASB Statement No. 44 on the Statistical Section.

Basis of Accounting: For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Student tuition and fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship expenses. All significant intra-institutional transactions have been eliminated. The College has elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's Office are considered cash equivalents.

Investments: Deposits and investments for the College are governed by the South Carolina Code of Laws, Section 11-9-660, "Investments of Funds". During the year ended June 30, 2005, the College implemented GASB Statement No. 40, *Deposits and Investment Risk Disclosures – an amendment to GASB Statement No. 3*. This statement requires disclosures related to deposit risks, such as custodial credit risk, and investment risks, such as credit risk (including custodial credit risk and concentrations of credit risks) and interest rate risk. The college accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the fair value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net assets.

Accounts Receivable: Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts. Details for accounts receivable are discussed in Note 3.

Allowances for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2010, the allowance for uncollectible student accounts is \$105,000. At June 30, 2009, the allowance for uncollectible student accounts is \$70,000.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Inventories: Inventories for internal use are valued at cost. Inventories for resale are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis.

Capital Assets: Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The College follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The College capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and improvements and land improvements and 2 to 25 years for machinery, equipment, and vehicles. A full year of depreciation is taken the year the asset is placed in service and no depreciation is taken in the year of disposition.

Deferred Revenues and Deposits: Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned. At June 30, 2010, deferred revenue for tuition and fees totaled \$1,201,546 and other deferred revenue totaled \$1,589,361. At June 30, 2009, deferred revenue for tuition and fees totaled \$930,222 and other deferred revenue totaled \$1,797,232.

Compensated Absences: Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as a component of long-term liabilities in the statement of net assets and as a component of benefit expenses in the statement of revenues, expenses, and changes in net assets. At June 30, 2010, accumulated unpaid vacation time amounted to \$1,229,192. At June 30, 2009, accumulated unpaid vacation time amounted to \$1,243,614.

Net Assets: The College's net assets are classified as follows:

Invested in capital assets, net of related debt: This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted net assets - expendable: Restricted expendable net assets include resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Restricted net assets – non-expendable: Non-expendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Unrestricted net assets: Unrestricted net assets represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

The College policy for applying expenses that can use both restricted and unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources and then to unrestricted resources.

Income Taxes: The College is exempt from income taxes under the Internal Revenue Code.

Classification of Revenues and Expenses: The College has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating Revenues and Expenses: Operating revenues generally result from exchange transactions to provide goods or services related to the College's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services, housing, and other related services to students; (2) fees received by College hospitals in exchange for providing health-related services; (3) receipts for scholarships where the provider has identified the student recipients; (4) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the College; and (5) grants and contracts that are essentially the same as contracts for services that finance programs the College would not otherwise undertake.

Non-operating Revenues and Expenses: Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes. **Beginning fiscal year 2010, the SC Comptroller General's office mandated that Pell grants be re-classified as non-operating revenues from operating revenues; therefore, the FY09 and FY08 financial statements were restated in order to standardize comparisons between FY08, FY09 and FY10.**

State Fiscal Stabilization Funds are reported as Federal non-operating revenues in the financial statements, with a portion reported as capital grants if appropriate.

Auxiliary Enterprises and Internal Service Activities: Auxiliary enterprise revenues primarily represent revenues generated by intercollegiate athletics, parking, bookstore and printing services. Revenues of internal service and auxiliary enterprise activities and the related expenses of college departments have been eliminated.

NOTE 2 -- STATE APPROPRIATIONS

State funds for operations for the South Carolina Technical College System are appropriated to the State Board for Technical and Comprehensive Education (the Board), and the Board allocates funds budgeted for the technical colleges in a uniform and equitable manner.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 2 -- STATE APPROPRIATIONS-Continued

The following is a detail schedule of State appropriations revenue reported in the financial statements for the **fiscal year ended June 30, 2010:**

NON-CAPITAL APPROPRIATIONS

Appropriations per Annual Appropriations Act	\$ 7,191,310
From Commission on Higher Education:	
Academic Endowment	<u>3,791</u>
Total Non-Capital Appropriations Recorded as Current Year Revenue	<u>\$ 7,195,101</u>

CAPITAL APPROPRIATIONS

State Lottery Technology Appropriations	<u>198,537</u>
Total Capital Appropriations Recorded as Current Year Revenue	<u>\$ 198,537</u>

The following is a detail schedule of State appropriations revenue reported in the financial statements for the **fiscal year ended June 30, 2009:**

NON-CAPITAL APPROPRIATIONS

Appropriations per Annual Appropriations Act	\$ 7,561,326
From Commission on Higher Education:	
Academic Endowment	<u>5,629</u>
Total Non-Capital Appropriations Recorded as Current Year Revenue	<u>\$ 7,566,955</u>

CAPITAL APPROPRIATIONS

State Lottery Technology Appropriations	<u>302,540</u>
Total Capital Appropriations Recorded as Current Year Revenue	<u>\$ 302,540</u>

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS

Deposits: The College complies with Section 11-13-30 of the South Carolina Code of Laws and Attorney General's opinion, which permit only the State Treasurer to invest funds of State agencies. It is permitted to place cash reserves (fund balances) of the College in a bank with insured deposits under FDIC. A cash management plan of the bank that includes overnight purchase of U. S. Treasury notes is used to maximize

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS-continued

earnings that become available on deposits. Under State statute, all deposits in excess of FDIC limits must be backed by the bank with satisfactory collateral assigned to the College and placed in escrow.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that a government will not be able to recover deposits if the depository financial institution fails to recover the value of collateral securities that are in the possession of an outside party if the counterparty to the deposit transaction fails.

Each night the College's deposits are transferred to an over-night repurchase agreement leaving a minimal amount in the actual bank account. The over-night repurchase investments include total amount of cash in the bank prior to application of outstanding checks.

As a result of this cash management policy, the College's deposits at June 30, 2010 were (\$597,503) which represents checks written by the College that had not cleared the payment process. Bank deposits are entirely covered by federal depository insurance or by collateral held by the College's custodial bank in the College's name.

Deposits include cash and cash equivalents on deposits in banks and held by the State Treasurer. At June 30, 2010, the State Treasurer held \$47,183 in its pooled cash in accounting funds in the College's name. State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At June 30, 2010, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by agents in the State's name.

Statement of Net Assets:

Cash and cash equivalents	\$ 19,868,694
Restricted cash and cash equivalents:	
<u>Capital Projects</u>	47,183
<u>Total Statement of Net Assets</u>	<u>\$ 19,915,877</u>

Deposit and Investments Note:

Petty cash on hand	\$ 3,250
Bank accounts	(46,962)
Investments	19,912,406
<u>Held by State Treasurer</u>	47,183
<u>Total Deposits and Investments Note</u>	<u>\$ 19,915,877</u>

Fiscal year 2009 information:

The College's deposits at June 30, 2009 were (\$522,970) which represents checks written by the College that had not cleared the payment process. Bank deposits are entirely covered by federal depository insurance or by collateral held by the College's custodial bank in the College's name.

Deposits include cash and cash equivalents on deposits in banks and held by the State Treasurer. At June 30, 2009, the State Treasurer held \$45,088 in its pooled cash in accounting funds in the College's name. State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At June 30, 2009, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by agents in the State's name.

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 3 – CASH, DEPOSITS AND INVESTMENTS-continued

Fiscal year 2009 information:

Statement of Net Assets:	
Cash and cash equivalents	\$ 16,809,341
Restricted cash and cash equivalents:	
Capital Projects	44,593
Debt Service	495
Total Statement of Net Assets	\$ 16,854,429
Deposit and Investments Note:	
Petty cash on hand	\$ 1,550
Bank accounts	(494,304)
Investments	17,302,095
<u>Held by State Treasurer</u>	<u>45,088</u>
Total Deposits and Investments Note	\$ 16,854,429

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The College does not maintain deposits that are denominated in a currency other than the United States dollar, therefore, the college is not exposed to this risk.

Investments: The College is authorized, by the South Carolina Code of Laws, Section 11-9-660, to invest in obligations of the United States and its agencies, obligations of the State of South Carolina and its political subdivisions, collateralized or federally insured certificates of deposit, and collateralized repurchase agreements.

The College's investments at **June 30, 2010**, that are *not* with the State Treasurer's Office are presented below. All investments are presented by investment type and debt securities are presented by maturity.

<u>Investment Type</u>	<u>Fair Value Amount</u>	<u>Investment Maturities (in years)</u>		
		<u>Less Than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>
<u>Debt Securities</u>				
Repurchase agreements	\$19,912,406	X		
TOTAL INVESTMENTS	<u>\$19,912,406</u>			

The College's investments at **June 30, 2009**, that are *not* with the State Treasurer's Office are presented below. All investments are presented by investment type and debt securities are presented by maturity.

<u>Investment Type</u>	<u>Fair Value Amount</u>	<u>Investment Maturities (in years)</u>		
		<u>Less Than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>
<u>Debt Securities</u>				
Repurchase agreements.....	\$17,302,095	X		
TOTAL INVESTMENTS	<u>\$17,302,095</u>			

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 4 -- ACCOUNTS RECEIVABLE

Receivables at **June 30, 2010:**

Student Accounts	\$ 1,860,130
Other Accounts	345,590
Due from State Capital Reserve Fund	2,229,671
Due from Federal and Other Grantors	<u>1,863,073</u>
Gross Receivables	\$ 6,298,464
Less: Allowance for Uncollectible Accounts:	
Student Accounts	<u>\$ 105,000</u>
Net Receivables	<u>\$ 6,193,464</u>

Receivables at **June 30, 2009:**

Student Accounts	\$ 1,299,812
Other Accounts	193,187
Due from State Capital Reserve Fund	5,650,433
Due from Federal and Other Grantors	<u>1,368,723</u>
Gross Receivables	\$ 8,512,155
Less: Allowance for Uncollectible Accounts:	
Student Accounts	<u>\$ 70,000</u>
Net Receivables	<u>\$ 8,442,155</u>

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable as of **June 30, 2010**, is summarized as follows:

Operations-Accounts Payable	\$ 804,343
Due to Federal and Other Grantors	688,602*
Other	<u>78,560</u>
Total Accounts Payable	<u>\$ 1,571,505</u>

*Numerous physical plant projects funded by ARRA and other restricted funding sources were in process at year end, therefore, a large accounts payable had to be recorded.

Accounts payable as of **June 30, 2009**, is summarized as follows:

Operations-Accounts Payable	\$ 878,469
Due to Federal and Other Grantors	84,885
Other	<u>112,935</u>
Total Accounts Payable	<u>\$ 1,076,289</u>

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 6 -- CAPITAL ASSETS

The activity in the College's capital assets for the fiscal year ended **June 30, 2010** is as follows:

	Beginning Balance 30-Jun-09	Increases	Decreases	Ending Balance 30-Jun-10
Capital Assets not being depreciated:				
Land	2,112,310	-	-	2,112,310
Total Capital Assets not being depreciated	2,112,310	-	-	2,112,310
Other Capital Assets:				
Buildings	24,860,191	-	-	24,860,191
Depreciable Building Improvements	8,893,475	-	-	8,893,475
Depreciable Land Improvements	3,603,831	-	-	3,603,831
Construction in Progress	36,809	5,601,269	-	5,638,078
Machinery, equipment, other	7,749,187	617,634	275,382	8,091,439
Vehicles	413,547	59,578	58,000	415,125
Capital Lease Assets	8,377,236	-	-	8,377,236
Capital Leasehold Improvement	2,531,661	-	-	2,531,661
Total Other Capital Assets at Historical Costs	56,465,937	6,278,481	333,382	62,411,036
Less Accumulated Depreciation for:				
Buildings	-11,861,392	-596,630	-	-12,458,022
Depreciable Building Improvements	-2,513,369	-355,739	-	-2,869,108
Depreciable Land Improvements	-1,565,605	-154,793	-	-1,720,398
Machinery, equipment, and other	-6,480,662	-795,735	287,811	-6,988,586
Vehicles	-129,619	-69,211	19,334	-179,496
Capital Lease Assets	-1,431,178	-496,499	-	-1,927,677
Capital Leasehold Improvements	-392,947	-156,821	-	-549,768
Total Accumulated Depreciation	-24,374,772	-2,625,428	307,145	-26,693,055
Other Capital Assets, net	32,091,165	3,653,053	26,237	35,717,981
Capital Assets, Net	\$34,203,475	3,653,053	26,237	\$37,830,291

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 6 -- CAPITAL ASSETS-continued

The activity in the College's capital assets for the fiscal year ended **June 30, 2009** is as follows:

	Beginning Balance 01-Jul-08	Increases	Decreases	Ending Balance 30-Jun-09
Capital Assets not being depreciated:				
Land	972,472	1,139,838	-	2,112,310
Total Capital Assets not being depreciated	972,472	1,139,838	-	2,112,310
Other Capital Assets:				
Buildings	24,860,191	-	-	24,860,191
Depreciable Building Improvements	8,893,475	-	-	8,893,475
Depreciable Land Improvements	3,603,831	-	-	3,603,831
Construction in Progress	-	36,809	-	36,809
Machinery, equipment, other	7,504,940	782,966	538,719	7,749,187
Vehicles	468,281	132,264	186,998	413,547
Capital Lease Assets	8,407,138	-	29,902	8,377,236
Capital Leasehold Improvement	2,144,080	387,581	-	2,531,661
Total Other Capital Assets at Historical Costs	55,881,936	1,339,620	755,619	56,465,937
Less Accumulated Depreciation for:				
Buildings	(11,264,762)	(596,630)	-	(11,861,392)
Depreciable Building Improvements	(2,157,630)	(355,739)	-	(2,513,369)
Depreciable Land Improvements	(1,410,812)	(154,793)	-	(1,565,605)
Machinery, equipment, and other	(5,806,915)	(1,212,466)	538,719	(6,480,662)
Vehicles	(270,073)	(46,544)	186,998	(129,619)
Capital Lease Assets	(956,276)	(503,726)	28,824	(1,431,178)
Capital Leasehold Improvements	(236,126)	(156,821)	-	(392,947)
Total Accumulated Depreciation	(22,102,594)	(3,026,719)	754,541	(24,374,772)
Other Capital Assets, net	33,779,342	(1,678,099)	1,078	32,091,165
Capital Assets, Net	\$34,751,814	(547,261)	1,078	\$34,203,475

NOTE 7 -- PENSION PLAN(S)

The Retirement Division of the State Budget and Control Board maintains four independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to The South Carolina Retirement System, PO Box 11960, Columbia, South Carolina 29211. Furthermore, the Retirement System and the four pension plans are included in the CAFR of the State of South Carolina.

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits, and employee/employer contributions for each pension plan. Employee and employer contribution rates for the South Carolina Retirement System and the Police Officers Retirement System are actuarially determined. Annual benefits, payable monthly for life, are based on length of service and on average final compensation.

NOTE 7 -- PENSION PLAN(S)-continued

South Carolina Retirement System

The majority of employees of the College are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division, a public employee retirement system. Generally all State employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, death, and group-life insurance benefits to eligible employees and retirees.

Since July 1, 1988 to June 30, 2005 employees participating in the SCRS were required to contribute 6.0 percent of all compensation. On July 1, 2005, the required employee contribution increased to 6.25 percent. On July 1, 2006, the required employee contribution increased to 6.50 percent. Effective July 1, 2007, the employer contribution rate became 12.48 percent which included a 3.42 percent surcharge to fund retiree health and dental insurance coverage. On July 1, 2009, the employer contribution rate became 12.74 percent. This increase included a .18 percent increase in the employer retirement contribution and .08 percent increase in the surcharge to fund the retiree health and dental insurance coverage. The College's actual contributions to the SCRS for the most recent fiscal years ending June 30, 2010, 2009, 2008, and 2007, were \$1,324,221, \$1,283,977, \$1,237,825, \$956,966, respectively, and equaled the required contributions of 8.05 percent (excluding the surcharge) for fiscal year 2007, 9.06 percent (excluding the surcharge) for fiscal year 2008 and 9.24 percent (excluding the surcharge) for fiscal year 2009, and 9.24 percent (excluding the surcharge) for fiscal year 2010,. Also, the College paid employer group-life insurance contributions of \$21,497 in fiscal year 2010, \$20,844 in fiscal year 2009 and \$20,494 in fiscal year 2008 at the rate of .15 percent of compensation.

Police Officers Retirement System

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple-employer defined benefit public employee retirement plan administered by the Retirement Division. Generally all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to the System as a condition of employment. This plan provides annuity benefits as well as disability and group-life insurance benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Since July 1, 1988, employees participating in the PORS have been required to contribute 6.5 percent of all compensation. Effective July 1, 2007, the employer contribution rate became 13.72 percent which, as for the SCRS, included the 3.42 percent surcharge. On July 1, 2008 the employer contribution rate increased to 10.65 percent and the insurance surcharge increased to 3.5 percent. The College's actual contributions to the PORS for the fiscal years ending June 30, 2010, 2009, 2008 and 2007 were \$14,636, \$10,983, \$8,340, and \$7,127 respectively, and equaled the required contributions of 10.65% for fiscal year 2010 and 2009 and 10.3 percent (excluding the surcharge) for the prior fiscal years. Also, the College paid employer group-life insurance contributions of \$275 in fiscal year 2010, \$206 in fiscal year 2009 and \$162 in fiscal year 2008 and accidental death insurance contributions of \$275 in fiscal year 2010, \$206 in fiscal year 2009 and \$162 in fiscal year 2008 for PORS participants. The rate for each of these insurance benefits is .20 percent of compensation.

NOTE 7 -- PENSION PLAN(S)-continued

Optional Retirement Program

The State Optional Retirement Program (State ORP) was first established as the Optional Retirement Program for Higher Education in 1987. In its current form, the State ORP is an alternative to the defined benefit SCRS plan offered to certain state, public school and higher education employees of the State. The State ORP, which is administered by the South Carolina Retirement Systems, is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by investment providers. The State assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers and are governed by the terms of the contracts issued by them. Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.24 percent plus the retiree surcharge of 3.50 percent from the employer in fiscal year 2010 and 2009. Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.06 percent plus the retiree surcharge of 3.42 percent from the employer in fiscal year 2008. Employees are eligible for group-life insurance benefits while participating in the State ORP. However, employees who participate in the State ORP are not eligible for postretirement group-life insurance benefits. The total contribution requirements for the ORP were \$102,200 for fiscal year 2010(excluding the surcharge) from the College as employer and \$156,674 from its employees as plan members. For fiscal year 2009, total contribution requirements to the ORP were \$91,908 (excluding the surcharge) from the College as employer and \$140,897 from its employees as plan members. For fiscal year 2008, total contribution requirements to the ORP were \$79,588 (excluding the surcharge) from the College as employer and \$127,419 from its employees as plan members. In addition, the College paid to the SCRS employer group-life insurance contributions of \$3,616 in fiscal year 2010, \$3,251 in fiscal year 2009 and \$2,940 in fiscal year 2008 at the rate of .15 percent of compensation.

Deferred Compensation Plans

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of the College have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

Teacher and Employee Retention Incentive

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2005, employees who choose to participate in the TERI Program will be required to make SCRS contributions. Due to the South Carolina Supreme Court decision in *Layman et al v. South Carolina Retirement System and the State of South Carolina*, employees who chose to participate in the TERI Program, prior to July 1, 2005 will not be required to make SCRS contributions. SCRS employer contribution will increase by .26% effective July 1, 2008.

NOTE 8 – POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS

a. Plan Description

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents. “Agency” contributes to the Retiree Medical Plan (RMP) and the Long-term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB). Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

b. Funding Policies

Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 3.50 percent of the annual covered payroll for 2010 and 2009 and 3.42 percent of annual covered payroll for 2008. The EIP sets the employer contribution rate based on a pay-as-you-go basis. Tri-County Technical College recorded benefit expenses for these insurance benefits (health and dental) for active employees in the amount of \$1,406,842 for the year ended June 30, 2010, \$1,329,118 for the year ended June 30, 2009 and \$1,058,941 for the year ended June 30, 2008. As discussed in Note 7, the College paid \$501,599 applicable to the 3.50 percent surcharge included with the employer contributions for retirement benefits in fiscal year 2010 and \$486,355 applicable to the 3.50 percent surcharge included with the employer contributions for retirement benefits in fiscal year 2009 and \$467,258 applicable to the 3.42 percent surcharge included with the employer contributions for retirement benefits in fiscal year 2008. These amounts were remitted to the South Carolina Retirement Systems for distribution to the Office of Insurance Services for retiree health and dental insurance benefits.

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions.

One may obtain complete financial statements for the benefit plans and the trust funds from Employee Insurance Program, 1201 Main Street, Suite 360, Columbia, SC 29201.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 9 -- CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS

The College is party to various lawsuits arising out of the normal conduct of its operations. In the opinion of College management, there are no material claims or lawsuits against the College that are not covered by insurance or whose settlement would materially affect the College's financial position.

The College participates in certain Federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

Necessary funding has been obtained for the acquisition, construction, renovation, and equipping of certain facilities, which were capitalized in the applicable capital asset categories during fiscal year end 2010. Other capital projects, which are not capitalized when completed, are for replacements, repairs, and/or renovation to existing facilities.

At **June 30, 2010**, the College began the construction of the Easley campus Occupational Center building. The costs are recorded in the asset, Construction in Progress until completion of the project.

The College anticipates funding this project out of current resources.

<u>Project Name and Number</u>	<u>Estimated Project Cost</u>	<u>Expenditures Through June 30, 2010</u>
TCTC Easley Occupational Center	\$ 8,567,200	\$ 5,638,078

Construction contracts were awarded in August 2009. The remaining commitment as of June 30 2010 on the construction contracts is \$1,332,958.

Fiscal year 2009 information:

Necessary funding has been obtained for the acquisition, construction, renovation, and equipping of certain facilities, which were capitalized in the applicable capital asset categories during fiscal year end 2009. Other capital projects, which are not capitalized when completed, are for replacements, repairs, and/or renovation to existing facilities.

At **June 30, 2009**, the College began the process of preparing for the construction of the Easley campus Occupational Center building. The costs are recorded in the asset, Construction in Progress until completion of the project.

The College anticipates funding this project out of current resources.

<u>Project Name and Number</u>	<u>Estimated Project Cost</u>	<u>Expenditures Through June 30, 2009</u>
TCTC Easley Occupational Center	\$ 8,567,200	\$ 36,809

Construction contracts have not been awarded as of June 30, 2009. They will be awarded end of August 2009.

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 10 -- LEASE OBLIGATIONS

For fiscal year ending **June 30, 2010**, Tri-County Technical College has Operating leases and three (3) capital lease obligations. Current year operating lease expenses were \$332,728. The following are the operating lease obligations of the College:

Year Ended <u>June 30,</u>	Operating leases <u>with external parties</u>
2011	\$ 170,497
2012	\$ 23,370
2013	-0-

The College also rents certain office equipment based on usage. The current year expense for these contingent rentals was \$57,628.

The College returned one piece of leased mail-room equipment during fiscal year 2009 but retained the other equipment that was included in the original capital lease. The returned asset with corresponding accumulated depreciation and lease payment were removed. The remaining equipment has one year left on the lease.

The College acquired a five-year capital lease during fiscal year 2008. The financing portion was the present value of \$334,412 with an implicit interest rate of 3.410%. The maintenance agreement for the equipment is expensed as well as the portion based on usage identified as contingent rentals. The current year expense for contingent rental was \$23,966 and the maintenance agreement expense was \$6,132.

The College acquired a nineteen-year capital lease from TCTC Foundation during fiscal year 2007. The financing portion was the present value of \$8,000,000 with an implicit interest rate of 4.08%. Maintenance and operational costs for the building are expensed.

The following is the capital lease obligations of the College as of **June 30 2010:**

Year Ended <u>June 30,</u>	Capital leases with external parties
2011	694,020
2012	686,788
2013	614,492
2014-2018	3,071,636
2019-2023	3,079,880
2024-2025	<u>1,236,808</u>
TOTAL	\$9,383,624
Less: Interest	<u>2,435,339</u>
Present value of net minimum lease payments	<u>\$6,948,285</u>

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 10 -- LEASE OBLIGATIONS—continued

	Fiscal Year 2010 Capital lease assets with external parties
Assets acquired under capital lease:	
Machinery, equipment and other	\$ 377,236
Anderson Campus building	<u>8,000,000</u>
Total assets acquired under capital lease	\$8,377,236
Less: accumulated depreciation	<u>(1,927,677)</u>
Assets acquired under capital leases, net	<u>\$6,449,559</u>

For fiscal year ending **June 30, 2009**, Tri-County Technical College has Operating leases and three (3) capital lease obligations. Current year operating lease expenses were \$332,728. The following are the operating lease obligations of the College:

Year Ended <u>June 30,</u>	Operating leases <u>with external parties</u>
2010	\$ 315,602
2011	\$ 170,497
2012	\$ 23,370
2013	-0-

The College also rents certain office equipment based on usage. The current year expense for these contingent rentals was \$46,094.

The College returned one piece of leased mail-room equipment but retained the other equipment that was included in the original capital lease. The returned asset with corresponding accumulated depreciation and lease payment were removed. The remaining equipment has two years left on the lease. The maintenance agreement for the equipment is expensed. The current year maintenance agreement expense was \$3,789.

The College acquired a five-year capital lease during fiscal year 2008. The financing portion was the present value of \$334,412 with an implicit interest rate of 3.410%. The maintenance agreement for the equipment is expensed as well as the portion based on usage identified as contingent rentals. The current year expense for contingent rental was \$23,602 and the maintenance agreement expense was \$6,133.

The College acquired a nineteen-year capital lease from TCTC Foundation during fiscal year 2007. The financing portion was the present value of \$8,000,000 with an implicit interest rate of 4.08%. Maintenance and operational costs for the building are expensed.

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 10 -- LEASE OBLIGATIONS—continued

The following is the capital lease obligations of the College:

Year Ended June 30,	Capital leases with external parties FY2009
2010	692,077
2011	694,020
2012	686,788
2013	614,492
2014-2018	3,071,636
2019-2023	3,079,880
2024-2025	<u>1,236,808</u>
TOTAL	\$10,075,701
Less: Interest	<u>2,732,680</u>
Present value of net minimum lease payments	<u>\$ 7,343,021</u>

	Capital leases with external parties
Assets acquired under capital lease:	
Machinery, equipment and other	\$377,236
Anderson Campus building	<u>8,000,000</u>
Total assets acquired under capital lease	\$8,377,236
Less: accumulated depreciation	<u>(1,431,178)</u>
Assets acquired under capital leases, net	<u>\$6,946,058</u>

NOTE 11 -- BONDS PAYABLE

The College completed its general bond obligation during fiscal year ending June 30, 2009. Therefore, there was no bond obligation for **fiscal year 2010**.

For fiscal year 2009:

The College completed its general bond obligation during fiscal year ending June 30, 2009. Therefore, there was no bond obligation at **June 30, 2009**.

	<u>Rates</u>	<u>Dates</u>	<u>Balance</u>
State Institution Bonds			
Issued April 1998	5%	1998-2009	<u>\$ -0-</u>
Total			<u>\$ -0-</u>

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 12 -- LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2010 was as follows:

	June 30, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	June 30, <u>2010</u>	Due Within <u>One Year</u>
Capital Lease Payable	7,343,021	-	394,736	6,948,285	335,000
Accrued Compensated Absences	1,243,613	73,799	88,220	1,229,192	122,919
Total Long-term Liabilities	<u>\$ 8,586,634</u>	<u>\$ 73,799</u>	<u>\$482,956</u>	<u>\$ 8,177,477</u>	<u>\$ 457,919</u>

Long-term liability activity for the year ended June 30, 2009 was as follows:

	June 30, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	June 30, <u>2009</u>	Due Within <u>One Year</u>
Bonds Payable					
State Institution Bonds	\$ 700,000	\$ -	\$ 700,000	\$ -	\$ -
Capital Lease Payable	7,733,188	-	390,167	7,343,021	320,000
Accrued Compensated Absences	1,136,245	187,564	80,196	1,243,613	124,361
Total Long-term Liabilities	<u>\$ 9,569,433</u>	<u>\$ 187,564</u>	<u>\$ 1,170,363</u>	<u>\$ 8,586,634</u>	<u>\$ 444,361</u>

Additional information regarding Bonds Payable is included at Note 11 and Lease Payable in Note 10

NOTE 13 -- RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS, AND TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS

Certain separately chartered legal entities whose activities are related to those of the College exist primarily to provide financial assistance and other support to the College and its educational program. Financial statements for these entities are audited by independent auditors and retained by them. They include the Tri-County Technical College Foundation.

Management reviewed its relationship with the Foundation under the existing guidance of GASB Statement No. 14, as amended by GASB Statement No. 39. Because of the nature and the significance of its relationship with the College, the Foundation is considered a component unit of the College.

The Foundation reimburses the College for any purchases of goods and services made by the College on behalf of the Foundation. The Foundation reimburses the College for office space and support services provided to the Foundation. The College considers the Foundation a third-party sponsor when scholarships are granted to students. See note 18 for further information.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 14 -- RISK MANAGEMENT

The College is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settlement claims have not exceeded this coverage in any of the past three years.

The State of South Carolina believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several State funds accumulate assets and the State itself assumes substantially all the risk for the following claims of covered employees:

- Unemployment compensation benefits
- Worker's compensation benefits for job-related illnesses or injuries
- Health and dental insurance benefits
- Long-term disability and group-life insurance benefits
- Employees elect health insurance coverage through either a
- Health maintenance organization or through the State's self-insured plan.

The College and other entities pay premiums to the State's Insurance Reserve Fund (IRF), which issues policies, accumulates assets to cover the risk of loss, and pays claims incurred for covered losses relating to the following activities:

- Theft, damage to, or destruction of assets
- Real property, its contents, and other equipment
- Motor vehicles and watercraft
- Torts Natural disasters
- Medical malpractice claims against the Infirmary

The IRF is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The IRF's rates are determined actuarially.

The College obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation.

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 15 -- OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended **June 30, 2010** are summarized as follows:

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Utilities</u>	<u>Resale</u>	<u>Supplies/ Services</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	\$12,212,604	\$3,003,307				\$3,376,585		\$18,592,496
Academic Support	1,596,149	438,731				896,466		\$2,931,346
Student Services	2,939,016	846,542				2,962,872		\$6,748,430
Operation and Maintenance of Plant	565,635	186,642		\$834,952		2,400,772		\$3,988,001
Institutional Support	2,091,020	595,655				650,298		\$3,336,973
Scholarships			\$10,498,294					\$10,498,294
Auxiliary Enterprises	170,798	49,548			\$4,511,442	551,099		\$5,282,887
Depreciation							\$2,625,429	\$2,625,429
Total Operating Expenses	\$19,575,222	\$5,120,425	\$10,498,294	\$834,952	\$4,511,442	\$10,838,092	\$2,625,429	\$54,003,856

Operating expenses by functional classification for the year ended **June 30, 2009** are summarized as follows:

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Utilities</u>	<u>Resale</u>	<u>Supplies/ Services</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	\$11,288,464	\$2,794,244				\$2,925,984		\$17,008,692
Academic Support	1,843,639	512,110				416,326		\$2,772,075
Student Services	2,757,637	801,210				2,570,804		\$6,129,651
Operation and Maintenance of Plant	557,984	187,627		\$817,889		1,949,416		\$3,512,916
Institutional Support	1,998,399	553,272				326,394		\$2,878,065
Scholarships			\$4,948,979					\$4,948,979
Auxiliary Enterprises	168,066	47,635			\$3,294,512	196,288		\$3,706,501
Depreciation							\$3,026,719	\$3,026,719
Total Operating Expenses	\$18,614,189	\$4,896,098	\$4,948,979	\$817,889	\$3,294,512	\$8,385,212	\$3,026,719	\$43,983,598

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 16 – AMERICAN RECOVERY AND REINVESTMENT ACT FUNDING (ARRA FUNDS)

The College incurred expenditures of \$1,216,732 during fiscal year 2010 under American Recovery and Reinvestment Act (ARRA) funding. These funds were awarded to the College via pass-through funding from the U.S. Department of Education (State Fiscal Stabilization Funds), U.S. Department of Labor (Workforce Investment Act), and the U.S. Department of Energy (State Energy Program). ARRA funds were expended primarily for building and classroom renovations at the Pendleton and Anderson Campuses. In addition, ARRA funds provided WIA scholarships and student support, as well as instructional capacity-build funding for the Division of Corporate and Community Education.

The schedules below list the individual funds and expenses and the expenses by functional classification.

Fund	Funds used through June 30 2010
ARRA Pathways	\$ 6,079
ARRA WIA Adult Workers(09-10)	65,804
ARRA WIA Dislocated(09-10)	292,773
ARRA WIA State Reserve Funds	91,462
ARRA Energy Project	211,044
ARRA IBDC/Halbert Bldg Renovations	136,112
ARRA Anderson Campus Renovations	293,149
ARRA QuickJobs-Advanced Mfg	4,632
ARRA QuickJobs-Trans & Logistics	37,225
ARRA QuickJobs-Construction Trades	4,868
ARRA QuickJobs-Health Care	21,637
ARRA QuickJobs-Administration	9,331
ARRA State Energy Program	42,616
ARRA Broadband Tech Grant	-0-
Total expenditures incurred through June 30 2010	<u>\$1,216,732</u>

Please note that all expenses, excluding the capitalized amount, are included in the schedule presented in NOTE 15 for year ended June 30 2010.

USE OF ARRA FUNDS

	<u>Salaries</u>	<u>Benefits</u>	<u>Scholarships</u>	<u>Supplies / Services</u>	<u>Capitalized</u>	<u>Total</u>
Instruction	\$16,219	\$ 4,060		\$340,644	\$16,000	\$376,923
Student Services	43,724	14,752		106,887		165,363
Operation and Maintenance of Plant	1,320	115		388,336		389,771
Scholarships			\$284,675			284,675
Total Operating Expenses	\$61,263	\$18,927	\$284,675	\$835,867	\$16,000	\$1,216,732

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 17 -- BUSINESS TYPE ACTIVITIES

REQUIRED INFORMATION ON BUSINESS-TYPE ACTIVITIES FOR INCLUSION IN STATE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FISCAL YEAR ENDING JUNE 30			
	<u>2010</u>	<u>2009</u>	Increase/ <u>Decrease</u>
Charges for services	\$30,262,146	\$26,553,523	\$3,708,623
Non-operating grants and contributions	19,852,167	11,903,621	7,948,546
Capital grants and contributions	1,274,473	1,549,453	(274,980)
Less: expenses	<u>(54,441,916)</u>	<u>(44,330,482)</u>	<u>(10,111,434)</u>
Net program revenue (expense)	<u>(3,053,130)</u>	<u>(4,323,885)</u>	<u>1,270,755</u>
Transfers:			
State appropriations	<u>7,195,101</u>	<u>7,566,955</u>	<u>(\$371,854)</u>
Total transfers	<u>7,195,101</u>	<u>7,566,955</u>	<u>(\$371,854)</u>
Change in net assets	4,141,971	3,243,070	\$898,901
Net assets-beginning	<u>48,008,225</u>	<u>44,765,155</u>	<u>\$3,243,070</u>
Net assets-ending	<u>\$52,150,196</u>	<u>\$48,008,225</u>	<u>\$4,141,971</u>

REQUIRED INFORMATION ON BUSINESS-TYPE ACTIVITIES FOR INCLUSION IN STATE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FISCAL YEAR ENDING JUNE 30			
	<u>2009</u>	<u>2008</u>	Increase/ <u>Decrease</u>
Charges for services	\$26,553,523	\$23,269,379	\$3,284,144
Non-operating grants and contributions	11,903,621	10,369,768	1,533,853
Capital grants and contributions	1,549,453	7,471,683	(5,922,230)
Less: expenses	<u>(44,330,482)</u>	<u>(40,846,100)</u>	<u>(3,484,382)</u>
Net program revenue (expense)	<u>(4,323,885)</u>	<u>264,730</u>	<u>(4,588,615)</u>
Transfers:			
State appropriations	<u>7,566,955</u>	<u>9,773,387</u>	<u>(2,206,432)</u>
Total transfers	<u>7,566,955</u>	<u>9,773,387</u>	<u>(2,206,432)</u>
Change in net assets	3,243,070	10,038,117	(6,795,047)
Net assets-beginning	<u>44,765,155</u>	<u>34,727,038</u>	<u>10,038,117</u>
Net assets-ending	<u>\$48,008,225</u>	<u>\$44,765,155</u>	<u>\$3,243,070</u>

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 18 - COMPONENT UNIT INFORMATION

NATURE OF OPERATIONS

Tri-county Technical College Foundation, Inc. (the “Foundation”), a nonprofit organization incorporated in the State of South Carolina, supports the advancement of Tri-County Technical College (the “College”) in its objectives for scientific, educational, and charitable purposes. The four classes of programs used to achieve the Foundation’s objectives are:

Scholarship Program – benefits eligible students who attend the College.

Technology Program – supports the physical equipment needs of the College.

Professional Development Program – supports the skill enhancement of the College’s faculty and staff.

Priority Needs Program – funds projects of the College as identified by the College’s management.

Tri-County Technical College Foundation, LLC (the “LLC”), a South Carolina limited liability company and a “disregarded entity” for federal income tax purposes, is a wholly-owned subsidiary of Tri-County Technical College Foundation, Inc. The LLC was created on March 18, 2005 as a real estate holding company for the construction of the Anderson, South Carolina campus of Tri-County Technical College.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation: The accompanying consolidated financial statements include the accounts of Tri-County Technical College Foundation, Inc. and its wholly-owned subsidiary, Tri-County Technical College Foundation, LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting: The financial statements are presented on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities. Revenues are recognized when earned; expenses are recorded as incurred.

Financial Statement Presentation: In accordance with generally accepted accounting principles, the Foundation reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted – Net assets with no donor-imposed restrictions.

Temporarily Restricted – Net assets subject to donor-imposed restrictions that may be met either by actions of the Foundation or the passage of time.

Permanently Restricted – Net assets subject to donor-imposed restrictions that are to be maintained permanently by the Foundation, including contributions for endowments.

Contributions: In accordance with generally accepted accounting principles, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

NOTE 18 - COMPONENT UNIT INFORMATION – continued

Cash and Cash Equivalents: For purposes of reporting cash flows, the Foundation considers all liquid, non-equity instruments with remaining original maturity of three months or less to be cash equivalents. Money market funds awaiting reinvestment are not considered cash equivalents.

Investments: Investments in marketable securities with readily determinable fair market values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Pledges and Accounts Receivable: Pledges receivable consist of unconditional promises to give that have met the criteria for recording as contributions. Pledges extending beyond one year are recorded at the present value of the expected future cash flows, using risk-adjusted discount rates derived from observed returns for comparable assets. Student loans receivable consist of amounts on loan to students of the College. Such loans were made from contributions received from the Scurry Foundation and the Bradford Foundation. The Foundation uses the allowance method to recognize the effect of pledges and accounts receivable deemed to be uncollectible. No allowance was recorded at June 30, 2010 or 2009.

Property, Plant and Equipment: The Foundation capitalizes all property and equipment acquisitions exceeding \$1,000. Purchased property and equipment is capitalized at cost. Property and equipment are depreciated over their estimated useful lives using the straight-line method of depreciation.

Donated Material, Equipment, Services and Supplies: Donated materials and equipment are recorded as contributions at their estimated fair market value at the date of donation. Donated services are not recorded as contributions unless they meet the criteria for recognition as contributed services.

Income Taxes: The Foundation is a charitable organization as described in Section 501(c)3 of the Internal Revenue Code and is exempt from federal and state income taxes. In addition, it has been determined by the Internal Revenue Service that the Foundation is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code and is, therefore, not subject to federal excise taxes.

Management Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the statement of financial position and the reported amounts of revenues and expenses for the operating period. Actual results could differ significantly from those estimates.

Reclassifications: Certain 2009 amounts have been reclassified to conform to the 2010 classifications. These reclassifications had no effect on the change in net assets.

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 18 - COMPONENT UNIT INFORMATION – continued

PLEDGES RECEIVABLE

Pledges receivable at June 30, 2010 and 2009 consist of the following:

	June 30,	
	2010	2009
Unconditional Promises to Give	\$ 504,167	\$ 414,344
Less Unamortized Discount	(29,154)	(27,464)
Net Unconditional Promises to Give	\$ 475,013	\$ 386,880
Amounts due in:		
Less than one year	\$ 209,675	\$ 191,366
One to five years	294,492	222,978
	\$ 504,167	\$ 414,344

Pledges receivable at June 30, 2010 and 2009 are reflected at the present value of estimated future cash flows using discount rates of 2.96% and 3.49%, respectively

INVESTMENTS

The Commonfund uses a variety of investment tools to accomplish its goal of earning a reasonable return for its members while mitigating risk. In general, securities for which there is an active market are stated at fair market value. Securities for which there is no sales price or bid/ask price are stated at fair value as determined by the custodian of the fund or, in the case of investment partnerships, the most recent valuation data as reported by the general partners or managers.

The Foundation's investments at June 30, 2010 and 2009 were as follows:

	June 30,	
	2010	2009
Long-term Investments	\$ 12,939,464	\$ 11,912,590
Short-term Investments	1,450,405	120,912
Total Investments	\$ 14,389,869	\$ 12,033,502
Limited Partnership Interests Included in Long-term Investments	\$ 1,032,716	\$ 1,270,305
Bond and Equity Investments - Fair Market Value	\$ 11,906,748	\$ 10,642,285
Bond and Equity Investments - Cost	7,715,898	7,626,770
Unrealized Gains	\$ 4,190,850	\$ 3,015,515

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 18 - COMPONENT UNIT INFORMATION – continued

The Foundation subscribed to and maintains interests in six restricted limited partnerships. The Foundation is restricted by the partnership agreements from divesting its interests without approval from the general partners. The Foundation bears all risks of investment in the partnerships for their duration, a date no later than June 30, 2020. The Foundation's subscription commitments total \$2,124,205 and range from \$230,000 to \$540,000 for each partnership. As of June 30, 2010, the Foundation's remaining commitments to the partnerships totaled \$170,487.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, held in the LLC, consist of the following at June 30, 2010 and 2009:

	June 30,	
	2010	2009
Land	\$ 1,962,067	\$ 1,947,067
Building	6,303,247	6,303,247
Signs	2,459	2,459
	8,267,773	8,252,773
Less Accumulated Depreciation	(533,613)	(371,691)
	\$ 7,734,160	\$ 7,881,082

BOND PAYABLE

The Foundation issued an economic revenue bond on August 25, 2005 through the South Carolina Jobs-Economic Development Authority in the amount of \$8,000,000. The bond, which bears interest at 4.080% per annum, requires annual payments in varying amounts approximating \$605,000 through its maturity date of January 1, 2025. Proceeds of the bond were used to purchase land and construct the 45,000 square foot building that houses the Anderson, South Carolina campus of Tri-County Technical College. Construction of the building was completed during the year ended June 30, 2007. Bond payments are made from rental income the College pays to the Foundation.

Annual principal and interest requirements for the bond at June 30, 2010 were:

Years Ending June 30,	Principal	Interest	Total
2011	\$ 335,000	\$ 270,606	\$ 605,606
2012	350,000	256,632	606,632
2013	365,000	242,046	607,046
2014	380,000	226,848	606,848
2015	395,000	211,038	606,038
2016 and Thereafter	4,975,000	1,083,138	6,058,138
	\$ 6,800,000	\$ 2,290,308	\$ 9,090,308

NOTES TO FINANCIAL STATEMENTS
 TRI-COUNTY TECHNICAL COLLEGE

NOTE 18 – COMPONENT UNIT INFORMATION-continued

ENDOWMENT CHALLENGE GRANTS

The Foundation is operating under two endowment challenge grants of \$500,000 and \$1,000,000 (50% from the United States Department of Education and 50% in matched private funds). The Foundation is prohibited under terms of the grants from encroaching upon the principal or 50% of the aggregate income earned from the endowment principal for the duration of the twenty-year grant period. At the end of the grant period, the Foundation may use the endowment funds for specific educational purposes.

<u>Award Periods</u>	<u>PR Award Number</u>	<u>Grant Award</u>	<u>Foundation Match</u>	<u>Total</u>
7/1/1989 – 6/30/2009	433J8870A150	\$ 250,000	\$ 250,000	\$ 500,000
4/1/1994 – 3/31/2014	433J7720A179	\$ 500,000	\$ 500,000	\$ 1,000,000

RELATED PARTY TRANSACTIONS

The Foundation supports many projects of Tri-County Technical College. Predominantly all revenues raised and expenditures disbursed are for the benefit of the College. During the years ended June 30, 2010 and 2009, the Foundation recognized \$603,968 and \$601,718, respectively, in rental income from the College related to its Anderson, South Carolina campus. During the years ended June 30, 2010 and 2009, the Foundation provided scholarships to students of the College totaling \$351,746 and \$422,512, respectively, and provided educational support totaling \$479,950 and \$559,033, respectively. Several employees of the College perform services for the Foundation. The Foundation reimburses the College for a portion of the salaries and occupancy costs related to the employees that perform such services. During the years ended June 30, 2010 and 2009, the Foundation recognized \$168,533 and \$100,265, respectively, for administrative costs. At June 30, 2010 and 2009, \$112,213 and \$33,533, respectively, were recorded as payable to the College.

RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets totaled \$1,875,510 and \$1,066,729 at June 30, 2010 and 2009, respectively, and carried a variety of purpose and time restrictions.

Permanently restricted net assets were available for the following purposes at June 30, 2010 and 2009:

	<u>June 30,</u>	
	<u>2010</u>	<u>2009</u>
Technology	\$ 863,205	\$ 851,434
Scholarships	5,749,582	5,446,542
Priority Needs	1,956,036	1,490,410
Professional Development	2,655,914	2,597,920
	<u>\$ 11,224,737</u>	<u>\$ 10,386,306</u>

NOTES TO FINANCIAL STATEMENTS
TRI-COUNTY TECHNICAL COLLEGE

NOTE 18 – COMPONENT UNIT INFORMATION-continued

CONCENTRATIONS

Financial instruments consist principally of cash, pledges receivable, investments, and bond payable.

At June 30, 2010, the Foundation had investments totaling \$14,389,869 that were subject to normal declines in value due to market conditions. In addition, the Foundation may, at times, carry balances of cash in financial institutions in excess of federally insured limits.

RECLASSIFICATIONS OF NET ASSETS

The Foundation periodically reclassifies amounts between categories of net assets based upon donor intentions and restrictions. Such reclassifications have no effect on the change in net assets of the period in which they are recognized.

During the year ended June 30, 2010, the Foundation discovered it had incorrectly classified in a previous year contributions totaling \$750,000. The contributions, part of the Foundation's endowment challenge grants, are permanently restricted but were classified as temporarily restricted net assets. The Foundation's reclassification of this amount during the year ended June 30, 2010 had no effect on the change in net assets.

NOTE 19 – SUBSEQUENT EVENT

At its meeting on August 12, 2010, the SC Budget and Control Board approved the purchase of 5.1(+/-) acres with a 43,008 square foot office/warehouse facility in Anderson County for \$975,000 to relocate Industrial and Engineering Technology Welding and HVAC programs to a modern facility. The Project number is H59-6018. The College will be using its own funds to pay for the purchase and the closing date is August 26, 2010.

STATISTICAL

Fiscal Year Ended June 30, 2010



SCHEDULES

Fiscal Year Ended June 30, 2010



Statistical Section Content Explanation
Tri-County Technical College

This section of the Tri-County Technical College (the “College”) Comprehensive Annual Financial Report presents information that will assist in understanding the information in the financial statements, note disclosures, and the required supplementary information about the overall financial health of the College.

Contents

Financial Trends

The Schedules in this section contain trend information to assist in understanding how the College’s financial performance and well-being have changed over time.

Revenue Capacity

The schedules in this section contain information to assess the College’s most significant revenue sources.

Debt Capacity

The schedules in this section present information that assess the affordability of the College’s current levels of outstanding debt and the ability of the College to issue additional debt in future years.

Demographic and Economic Information

The schedules in this section offer demographic and economic indicators to assist in understanding the environment within the College’s financial activities occur.

Operating Information

The schedules in this section contain service and infrastructure data to assist in understanding how the information in the College’s financial report relates to the services it provides and the activities it performs.

Other Information

The schedules in this section are additional information that is not required by GASB 44 Statement but is of interest to those reading the report.

FINANCIAL TRENDS

Schedule 1 Schedule of Net Assets and Changes in Net Assets

Schedule 2 Schedule of Expenses by Function

Schedule 3 Schedule of Expenses by Use

Fiscal Year Ended June 30, 2010



Tri-County Technical College
Schedule of Net Assets and Changes in Net Assets
Fiscal Years 2002 to 2010

Schedule 1

	For the Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	
Income Before Other Revenues, Expenses, Gains or Losses										
Federal capital appropriations	\$ (284,207)	\$ 51,600	\$ 1,810,899	\$ 544,727	\$ 1,636,262	\$ (89,897)	\$ 2,542,180	\$ 1,693,617	\$ 2,867,498	
State capital appropriations	\$ 116,833	\$ 112,211	\$ 117,097	\$ 8,804	\$ -	\$ 32,492	\$ 147,986	\$ -	\$ 12,848	
Local capital appropriations	\$ 41,942	\$ 6,250	\$ -	\$ -	\$ -	\$ 1,037,655	\$ 6,366,135	\$ 302,540	\$ 198,537	
Gain non disposal of leased asset	\$ 675,000	\$ 675,000	\$ 1,019,501	\$ 1,636,251	\$ 1,188,750	\$ 1,455,225	\$ 957,562	\$ 1,246,913	\$ 1,063,088	
Proceeds from State Capital Improvement Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,254	\$ -	\$ -	
Total increase in net assets	\$ 2,496,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 3,045,930	\$ 845,061	\$ 2,947,497	\$ 2,189,782	\$ 2,825,012	\$ 2,435,475	\$ 10,038,117	\$ 3,243,070	\$ 4,141,971	
Invested in capital assets, net of related debt	\$ 19,782,728	\$ 22,140,013	\$ 23,507,148	\$ 24,150,572	\$ 23,877,105	\$ 25,270,429	\$ 26,318,626	\$ 26,860,454	\$ 30,882,006	
Restricted for Expendable:										
Capital projects	\$ -	\$ 172,211	\$ 8,016	\$ 9,790	\$ 10,235	\$ 10,771	\$ 21,396	\$ 10,718,387	\$ 15,907,223	
Debt service	\$ 9,986	\$ 11,962	\$ 13,910	\$ 16,193	\$ 19,332	\$ 25,214	\$ 19,814	\$ 495	\$ -	
Capital reserve fund							\$ 6,046,642	\$ 5,650,433	\$ -	
Unrestricted	\$ 3,983,139	\$ 2,296,728	\$ 3,752,380	\$ 5,294,681	\$ 8,389,576	\$ 9,420,624	\$ 12,358,677	\$ 4,778,456	\$ 5,360,967	
Total College net assets	\$ 23,775,853	\$ 24,620,914	\$ 27,281,454	\$ 29,471,236	\$ 32,296,248	\$ 34,727,038	\$ 44,765,155	\$ 48,008,225	\$ 52,150,196	

Note: Due to reporting format and definition changes prescribed by GASB Statement 34 and 35, only fiscal years 2002-2010 are available.
Source: Tri-County Technical College Audited Financial Statements

For the Year Ended June 30,

Expenses:	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction	\$ 11,039,557	\$ 12,160,352	\$ 11,681,904	\$ 12,972,599	\$ 13,897,292	\$ 14,965,567	\$ 17,008,625	\$ 17,008,692	\$ 18,592,496
Academic Support	\$ 2,260,140	\$ 2,049,966	\$ 1,935,055	\$ 1,808,853	\$ 2,231,549	\$ 2,453,552	\$ 2,665,606	\$ 2,772,075	\$ 2,931,346
Student Services	\$ 4,095,137	\$ 4,053,704	\$ 3,906,067	\$ 4,579,564	\$ 5,066,430	\$ 4,636,110	\$ 4,953,081	\$ 6,129,651	\$ 6,748,430
Operation and Maintenance of Plant	\$ 2,027,439	\$ 2,016,712	\$ 2,019,095	\$ 2,935,202	\$ 2,473,504	\$ 4,894,894	\$ 4,084,208	\$ 3,512,916	\$ 3,988,001
Institutional Support	\$ 2,231,263	\$ 2,502,236	\$ 2,358,069	\$ 2,389,285	\$ 2,429,604	\$ 2,654,282	\$ 2,544,123	\$ 2,878,065	\$ 3,336,973
Scholarships	\$ 1,233,499	\$ 2,245,120	\$ 2,161,024	\$ 2,430,505	\$ 2,485,774	\$ 2,906,153	\$ 3,505,098	\$ 4,948,979	\$ 10,498,294
Auxiliary Enterprises	\$ 1,531,490	\$ 1,813,543	\$ 1,937,530	\$ 2,191,638	\$ 2,334,125	\$ 2,635,338	\$ 3,144,158	\$ 3,706,501	\$ 5,282,887
Depreciation	\$ 1,004,053	\$ 1,070,006	\$ 1,593,790	\$ 1,793,189	\$ 1,691,262	\$ 2,260,354	\$ 2,545,300	\$ 3,026,719	\$ 2,625,429
Total Operating Expenses	\$ 25,422,678	\$ 27,911,639	\$ 27,592,534	\$ 31,100,835	\$ 32,609,540	\$ 37,406,250	\$ 40,450,199	\$ 43,983,598	\$ 54,003,856
Interest on capital asset-related debt	\$ 234,500	\$ 210,250	\$ 184,750	\$ 161,279	\$ 136,804	\$ 269,875	\$ 395,901	\$ 346,884	\$ 438,060
Total Expenses	\$ 25,657,178	\$ 28,121,889	\$ 27,777,284	\$ 31,262,114	\$ 32,746,344	\$ 37,676,125	\$ 40,846,100	\$ 44,330,482	\$ 54,441,916

For the Year Ended June 30,

(Percentage of total)

Expenses:	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction	43.0%	43.2%	42.1%	41.5%	42.4%	39.7%	41.6%	38.4%	34.2%
Academic Support	8.8%	7.3%	7.0%	5.8%	6.8%	6.5%	6.5%	6.3%	5.4%
Student Services	16.0%	14.4%	14.1%	14.6%	15.5%	12.3%	12.1%	13.8%	12.4%
Operation and Maintenance of Plant	7.9%	7.2%	7.3%	9.4%	7.6%	13.0%	10.0%	7.9%	7.3%
Institutional Support	8.7%	8.9%	8.5%	7.6%	7.4%	7.0%	6.2%	6.5%	6.1%
Scholarships	4.8%	8.0%	7.8%	7.8%	7.6%	7.7%	8.6%	11.2%	19.3%
Auxiliary Enterprises	6.0%	6.4%	7.0%	7.0%	7.1%	7.0%	7.7%	8.4%	9.7%
Depreciation	3.9%	3.8%	5.7%	5.7%	5.2%	6.0%	6.2%	6.8%	4.8%
Total Operating Expenses	99.1%	99.3%	99.3%	99.5%	99.6%	99.3%	99.0%	99.2%	99.2%
Interest on capital asset-related debt	0.9%	0.7%	0.7%	0.5%	0.4%	0.7%	1.0%	0.8%	0.8%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2010 are available.

Source: Tri-County Technical College Audited Financial Statements

	For the Year Ended June 30,								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses:									
Salaries	\$ 12,428,469	\$ 12,994,685	\$ 13,000,094	\$ 14,258,159	\$ 15,324,994	\$ 16,356,160	\$ 17,804,799	\$ 18,614,189	\$ 19,575,222
Benefits	\$ 3,143,579	\$ 3,097,703	\$ 3,172,549	\$ 3,447,403	\$ 3,698,377	\$ 4,049,917	\$ 4,584,530	\$ 4,896,098	\$ 5,120,425
Scholarships	\$ 1,233,499	\$ 2,245,120	\$ 2,161,024	\$ 2,430,505	\$ 2,485,774	\$ 2,906,153	\$ 3,505,098	\$ 4,948,979	\$ 10,498,294
Utilities	\$ 531,713	\$ 580,110	\$ 553,012	\$ 552,310	\$ 597,062	\$ 589,162	\$ 731,931	\$ 817,889	\$ 834,952
Supplies and Other Services	\$ 5,695,140	\$ 6,240,667	\$ 5,314,076	\$ 6,645,995	\$ 6,752,212	\$ 8,961,136	\$ 8,590,743	\$ 8,385,212	\$ 10,838,092
Auxiliary Resale Costs	\$ 1,386,225	\$ 1,683,348	\$ 1,797,989	\$ 1,973,274	\$ 2,059,856	\$ 2,283,368	\$ 2,687,798	\$ 3,294,512	\$ 4,511,442
Depreciation	\$ 1,004,053	\$ 1,070,006	\$ 1,593,790	\$ 1,793,189	\$ 1,691,262	\$ 2,260,354	\$ 2,545,300	\$ 3,026,719	\$ 2,625,429
Total Operating Expenses	\$ 25,422,678	\$ 27,911,639	\$ 27,592,534	\$ 31,100,835	\$ 32,609,537	\$ 37,406,250	\$ 40,450,199	\$ 43,983,598	\$ 54,003,856
Interest on capital asset-related debt	\$ 234,500	\$ 210,250	\$ 184,750	\$ 161,279	\$ 136,804	\$ 269,875	\$ 395,901	\$ 346,884	\$ 438,060
Total Expenses	\$ 25,657,178	\$ 28,121,889	\$ 27,777,284	\$ 31,262,114	\$ 32,746,341	\$ 37,676,125	\$ 40,846,100	\$ 44,330,482	\$ 54,441,916

	For the Year Ended June 30, (percentage of total)								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses:									
Salaries	48.4%	46.2%	46.8%	45.6%	46.8%	43.4%	43.6%	42.0%	36.0%
Benefits	12.3%	11.0%	11.4%	11.0%	11.3%	10.7%	11.2%	11.0%	9.4%
Scholarships	4.8%	8.0%	7.8%	7.8%	7.6%	7.7%	8.6%	11.2%	19.3%
Utilities	2.1%	2.1%	2.0%	1.8%	1.8%	1.6%	1.8%	1.8%	1.5%
Supplies and Other Services	22.2%	22.2%	19.1%	21.3%	20.6%	23.8%	21.0%	18.9%	19.9%
Auxiliary Resale Costs	5.4%	6.0%	6.5%	6.3%	6.3%	6.1%	6.6%	7.4%	8.3%
Depreciation	3.9%	3.8%	5.7%	5.7%	5.2%	6.0%	6.2%	6.8%	4.8%
Total Operating Expenses	99.1%	99.3%	99.3%	99.5%	99.6%	99.3%	99.0%	99.2%	99.2%
Interest on capital asset-related debt	0.9%	0.7%	0.7%	0.5%	0.4%	0.7%	1.0%	0.8%	0.8%
Total Expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2010 are available.

Source: Tri-County Technical College Audited Financial Statements

REVENUE CAPACITY

- Schedule 4 Schedule of Revenue by Source
- Schedule 5 Annual Tuition and Fees
- Schedule 6 Admissions Statistics
- Schedule 7 Opening Fall Enrollment and
Degree Statistics with Graph
- Schedule 8 Continuing Education Division Statistics

Fiscal Year Ended June 30, 2010



Tri-County Technical College
Schedule of Revenues by Source,
Fiscal Years 2002 to 2010

Schedule 4

For the Year Ended June 30,

Revenues:	2002	2003	2004	2005	2006	2007	2008	2009	2010
Student tuition and fees (net of scholarship allowances)	\$ 4,995,540	\$ 4,769,216	\$ 5,408,202	\$ 5,890,467	\$ 7,193,322	\$ 7,490,613	\$ 9,531,160	\$ 10,967,806	\$ 14,446,672
Federal grants and contracts	\$ 4,534,880	\$ 6,268,745	\$ 7,321,442	\$ 8,013,009	\$ 7,397,139	\$ 7,312,329	\$ 9,202,766	\$ 12,292,964	\$ 4,841,904
State grants and contracts	\$ 808,255	\$ 3,212,076	\$ 4,008,059	\$ 4,345,428	\$ 4,880,574	\$ 6,001,719	\$ 5,815,489	\$ 6,399,479	\$ 6,985,097
Nongovernmental grants and contracts	\$ 39,314	\$ 39,463	\$ 163,512	\$ 321,104	\$ 581,093	\$ 1,171,430	\$ 1,480,537	\$ 1,455,772	\$ 1,459,367
Auxiliary enterprises (net of book allowances)*	\$ 1,862,839	\$ 1,429,001	\$ 1,483,435	\$ 1,610,697	\$ 1,776,382	\$ 2,025,832	\$ 2,218,669	\$ 2,349,486	\$ 2,443,019
Other operating revenues	\$ 52,426	\$ 44,499	\$ 56,473	\$ 65,331	\$ 58,188	\$ 58,138	\$ 69,867	\$ 67,360	\$ 86,087
Total Operating Revenues	\$ 12,293,254	\$ 15,763,000	\$ 18,441,123	\$ 20,246,036	\$ 21,886,698	\$ 24,060,061	\$ 28,318,488	\$ 33,532,867	\$ 30,262,146
State appropriations	\$ 9,858,042	\$ 8,794,972	\$ 7,769,943	\$ 7,989,352	\$ 8,380,511	\$ 8,860,702	\$ 9,765,118	\$ 7,561,326	\$ 7,191,310
State appropriations-CHE	\$ 30,382	\$ 9,894	\$ 2,208	\$ 1,366	\$ 9,775	\$ 7,815	\$ 8,269	\$ 5,629	\$ 3,791
State appropriations-Deferred Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Local appropriations	\$ 2,818,591	\$ 2,818,591	\$ 2,914,879	\$ 2,950,250	\$ 3,012,282	\$ 3,188,682	\$ 3,370,371	\$ 3,530,344	\$ 3,600,226
Investment income	\$ 166,939	\$ 98,520	\$ 69,570	\$ 166,708	\$ 412,020	\$ 601,039	\$ 455,065	\$ 116,976	\$ 54,296
Federal grants and contracts	\$ 110,984	\$ 29,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,045,123
State grants and contracts	\$ 80,461	\$ 70,606	\$ 76,029	\$ 78,910	\$ 89,523	\$ 371,392	\$ 869,351	\$ 550,710	\$ 548,619
Other nonoperating revenues	\$ 14,318	\$ 35,375	\$ 29,197	\$ 30,746	\$ 102,085	\$ 490,091	\$ 601,618	\$ 719,534	\$ 630,140
Gain/(Loss) on disposal of asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,254	\$ 6,713	\$ (26,237)
State capital bond fund/Capital Reserve	\$ 2,496,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,067,200	\$ -	\$ -
Federal capital grants and gifts	\$ 116,833	\$ 112,211	\$ 117,097	\$ 8,804	\$ -	\$ 32,492	\$ 147,986	\$ -	\$ 12,848
State capital grants and gifts	\$ 41,942	\$ 6,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State appropriations-Lottery Technology	\$ -	\$ 553,296	\$ 285,234	\$ 343,473	\$ 291,301	\$ 294,465	\$ 298,935	\$ 302,540	\$ 198,537
State Research Infrastructure Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 98,408	\$ 743,190	\$ -	\$ -	\$ -
Local capital appropriations	\$ 675,000	\$ 675,000	\$ 1,019,501	\$ 1,636,251	\$ 1,188,750	\$ 1,084,354	\$ 957,562	\$ 1,246,913	\$ 1,063,088
Total Nonoperating Revenues	\$ 16,409,854	\$ 13,203,950	\$ 12,283,658	\$ 13,205,860	\$ 13,684,655	\$ 15,674,222	\$ 22,565,729	\$ 14,040,685	\$ 28,321,741
Total Revenues	\$ 28,703,108	\$ 28,966,950	\$ 30,724,781	\$ 33,451,896	\$ 35,571,353	\$ 39,734,283	\$ 50,884,217	\$ 47,573,552	\$ 58,583,887

*Book allowances were not considered in 2002, the first year GASB 34 was implemented.

Source: Tri-County Technical College Audited Financial Statements

Note: Only fiscal years 2002-2010 are available due to implementation of GASB 34

Tri-County Technical College
Schedule of Revenues by Source,
Fiscal Years 2002 to 2010

Schedule 4
(continued)

For the Year Ended June 30,
(percentage of total)

Revenues:	2002	2003	2004	2005	2006	2007	2008	2009	2010
Student tuition and fees (net of scholarship allowances)	17.40%	16.46%	17.60%	17.61%	20.22%	18.85%	18.73%	23.05%	24.66%
Federal grants and contracts	15.80%	21.64%	23.83%	23.95%	20.80%	18.40%	18.09%	25.84%	8.26%
State grants and contracts	2.82%	11.09%	13.05%	12.99%	13.72%	15.10%	11.43%	13.45%	11.92%
Nongovernmental grants and contracts	0.14%	0.14%	0.53%	0.96%	1.63%	2.95%	2.91%	3.06%	2.49%
Auxiliary enterprises (net of book allowances)	6.49%	4.93%	4.83%	4.81%	4.99%	5.10%	4.36%	4.94%	4.17%
Other operating revenues	0.18%	0.15%	0.18%	0.20%	0.16%	0.15%	0.14%	0.14%	0.15%
Total Operating Revenues	42.83%	54.42%	60.02%	60.52%	61.53%	60.55%	55.65%	70.49%	51.66%
State appropriations	34.34%	30.36%	25.29%	23.88%	23.56%	22.30%	19.19%	15.89%	12.28%
State appropriations-CHE	0.11%	0.03%	0.01%	0.004%	0.03%	0.02%	0.02%	0.01%	0.01%
State appropriations-Deferred Maintenance	-	-	-	-	0.28%	-	-	-	-
Local appropriations	9.82%	9.73%	9.49%	8.82%	8.47%	8.03%	6.62%	7.42%	6.15%
Investment income	0.58%	0.34%	0.23%	0.50%	1.16%	1.51%	0.89%	0.25%	0.09%
Federal grants and contracts	0.39%	0.10%	-	-	-	-	-	-	-
State grants and contracts	0.28%	0.24%	0.25%	0.24%	0.25%	0.93%	1.71%	1.16%	0.94%
Other non-operating revenues	0.05%	0.12%	0.10%	0.09%	0.29%	1.23%	1.18%	1.51%	1.08%
State capital bond fund/Capital Reserve	8.70%	-	-	-	-	-	-	-	-
Federal capital grants and gifts	0.41%	0.39%	0.38%	0.03%	-	-	-	-	-
State capital grants and gifts	0.15%	0.02%	-	-	-	-	-	-	-
State appropriations-Lottery Technology	-	1.91%	0.93%	1.03%	0.82%	0.74%	0.59%	0.64%	0.34%
State Research Infrastructure Bond Proceeds	-	-	-	-	0.28%	1.87%	-	-	-
Local capital appropriations	2.35%	2.33%	3.32%	4.89%	3.34%	2.73%	1.88%	2.62%	1.81%
Total Nonoperating Revenues	57.17%	45.58%	39.98%	39.48%	38.47%	39.45%	44.35%	29.51%	48.34%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

***Book allowances were not considered in 2002, the first year GASB 34 was implemented.**

Source: *Tri-County Technical College Audited Financial Statements*

Note: Only fiscal years 2002-2010 are available due to implementation of GASB 34

South Carolina Public Two Year Institutions
Annual Tuition and Fees
Last Ten Academic Years

Schedule 5

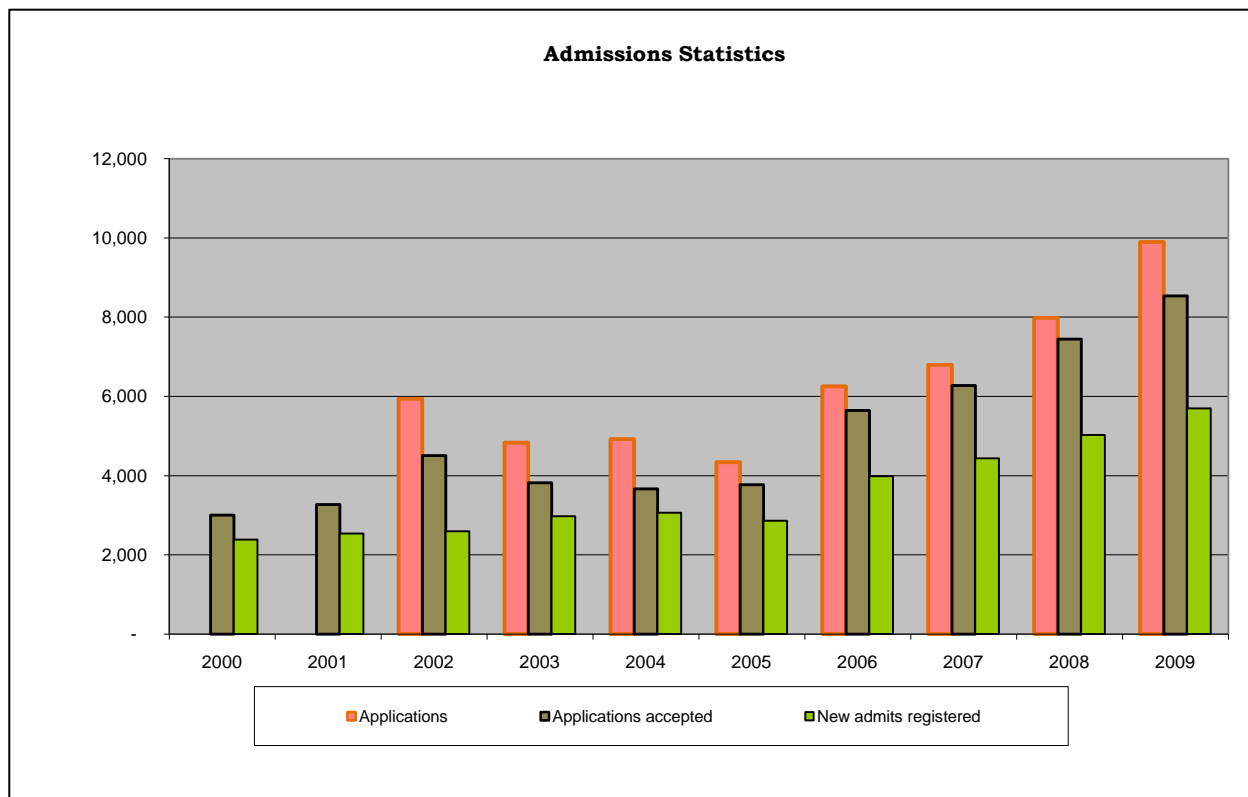
<i>(Alpha Order)</i>	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Technical Colleges										
In-County										
Aiken	\$ 1,300	\$ 1,800	\$ 2,192	\$ 2,600	\$ 2,836	\$ 3,036	\$ 3,190	\$ 3,298	\$ 3,506	\$ 3,626
Central Carolina	\$ 1,200	\$ 1,700	\$ 2,092	\$ 2,500	\$ 2,500	\$ 2,700	\$ 2,900	\$ 2,920	\$ 3,020	\$ 3,308
Denmark	\$ 1,080	\$ 1,700	\$ 2,152	\$ 2,248	\$ 2,278	\$ 2,278	\$ 2,278	\$ 2,278	\$ 2,378	\$ 2,492
Florence-Darlington	\$ 1,500	\$ 1,720	\$ 2,112	\$ 2,976	\$ 2,986	\$ 3,026	\$ 3,190	\$ 3,190	\$ 3,190	\$ 3,302
Greenville	\$ 1,500	\$ 1,750	\$ 2,142	\$ 2,600	\$ 2,900	\$ 3,000	\$ 3,190	\$ 3,290	\$ 3,396	\$ 3,492
Horry-Georgetown	\$ 1,363	\$ 1,744	\$ 2,136	\$ 2,394	\$ 2,680	\$ 2,800	\$ 2,944	\$ 3,114	\$ 3,194	\$ 3,206
Midlands	\$ 1,396	\$ 1,800	\$ 2,192	\$ 2,836	\$ 2,908	\$ 3,004	\$ 3,100	\$ 3,244	\$ 3,360	\$ 3,608
Northeastern TC	\$ 1,225	\$ 1,705	\$ 2,092	\$ 2,346	\$ 2,346	\$ 2,526	\$ 2,646	\$ 2,982	\$ 3,270	\$ 3,270
Orangeburg-Calhoun	\$ 1,296	\$ 1,700	\$ 1,992	\$ 2,496	\$ 2,640	\$ 2,640	\$ 2,832	\$ 2,832	\$ 3,048	\$ 3,218
Piedmont	\$ 1,300	\$ 1,760	\$ 2,350	\$ 2,596	\$ 2,740	\$ 2,860	\$ 2,956	\$ 3,076	\$ 3,076	\$ 3,334
Spartanburg	\$ 1,400	\$ 1,740	\$ 2,132	\$ 2,660	\$ 2,806	\$ 2,902	\$ 3,094	\$ 3,194	\$ 3,314	\$ 3,434
TC of the Lowcountry	\$ 1,250	\$ 1,700	\$ 2,142	\$ 2,600	\$ 2,900	\$ 3,050	\$ 3,050	\$ 3,150	\$ 3,270	\$ 3,382
Tri County	\$ 1,200	\$ 1,800	\$ 2,022	\$ 2,450	\$ 2,546	\$ 2,738	\$ 2,856	\$ 2,976	\$ 3,060	\$ 3,168
Trident	\$ 1,300	\$ 1,700	\$ 2,092	\$ 2,446	\$ 2,688	\$ 2,950	\$ 3,114	\$ 3,220	\$ 3,330	\$ 3,450
Williamsburg	\$ 1,100	\$ 1,700	\$ 2,112	\$ 2,112	\$ 2,692	\$ 2,692	\$ 2,830	\$ 2,830	\$ 2,942	\$ 3,042
York	\$ 1,236	\$ 1,712	\$ 2,108	\$ 2,736	\$ 2,886	\$ 3,036	\$ 3,124	\$ 3,124	\$ 3,244	\$ 3,352
System Average	1,290	1,733	2,129	2,537	2,708	2,827	2,956	3,045	3,162	3,293

Two-Year Regional Campuses of USC

In-State										
USC - Lancaster	\$ 2,200	\$ 2,410	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528
USC - Salkehatchie	\$ 2,200	\$ 2,410	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528
USC - Sumter	\$ 2,200	\$ 2,410	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528
USC - Union	\$ 2,200	\$ 2,410	\$ 3,080	\$ 3,656	\$ 4,058	\$ 4,324	\$ 4,652	\$ 4,868	\$ 5,264	\$ 5,528

Source: South Carolina Commission on Higher Education

	<i>Academic Year Beginning in Fall</i>									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Admissions - Freshman										
Applications	NA	NA	5,942	4,834	4,922	4,338	6,251	6,793	7,987	9,898
Applications accepted	3,008	3,271	4,504	3,816	3,670	3,769	5,647	6,278	7,442	8,536
New admits registered	2,383	2,538	2,597	2,976	3,065	2,864	3,984	4,440	5,030	5,695
Accepted as a percentage of applications	NA	NA	75.8%	78.9%	74.6%	86.9%	90.3%	92.4%	93.2%	86.2%
Registered as a percentage of accepted	79.2%	77.6%	57.7%	78.0%	83.5%	76.0%	70.6%	70.7%	67.6%	66.7%
Registered as a percentage of applicants	NA	NA	43.7%	61.6%	62.3%	66.0%	63.7%	65.4%	63.0%	57.5%



Notes :

*Tri-County Technical College has an open enrollment policy.
 All figures are unduplicated unless otherwise stated.*

Source: TCTC admissions office

Tri-County Technical College
Opening Fall Enrollment Demographics and Degree Statistics
Last Ten Fiscal Years

Schedule 7

<u>GENDER</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
(Term)	(00-1)	(01-1)	(02-1)	(03-1)	(04-1)	(05-1)	(06-1)	(07-1)	(08-1)	(09-1)
Female	1,849	2,036	2,333	2,646	2,838	2,775	2,780	2,997	3,204	3,796
Male	1,763	1,737	1,792	1,902	1,871	1,870	1,973	2,226	2,526	2,962
Total	3,612	3,773	4,125	4,548	4,709	4,645	4,753	5,223	5,730	6,758
<u>RACE</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Minority	435	465	572	715	751	715	679	860	1,006	1,201
White	3,041	3,161	3,388	3,661	3,775	3,738	3,844	4,238	4,605	5,448
Other(unknown)	136	147	165	172	183	192	230	125	119	109
Total	3,612	3,773	4,125	4,548	4,709	4,645	4,753	5,223	5,730	6,758
<u>COUNTY</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Anderson	1,570	1,629	1,785	2,122	2,162	2,066	1,821	1,975	2,164	2,616
Oconee	893	912	965	1,006	991	994	973	919	1,006	1,167
Pickens	751	812	975	1,003	1,018	1,035	996	1,092	1,143	1,250
Other	398	420	400	417	538	550	963	1,237	1,417	1,725
Total	3,612	3,773	4,125	4,548	4,709	4,645	4,753	5,223	5,730	6,758
<u>HEADCOUNT</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
Full-time	1,703	1,797	2,140	2,278	2,435	2,473	2,576	2,783	3,316	4,064
Part-time	1,909	1,976	1,985	2,270	2,274	2,172	2,177	2,440	2,414	2,694
Total	3,612	3,773	4,125	4,548	4,709	4,645	4,753	5,223	5,730	6,758
<u>FTEs</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
	2,328.7	2,429.1	2,765.6	3,048.0	3,175.1	3,147.1	3,293.3	3,579.0	4,086.0	4,959.7
<u>RATIO FTE/HC</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
	0.64	0.64	0.67	0.67	0.67	0.68	0.69	0.69	0.71	0.73
<u>AVERAGE CREDITS</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
	9.7	9.7	10.1	10.1	10.1	10.2	10.4	10.3	10.7	11.0
<u>AVERAGE AGE</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
	24.8	24.7	25.3	25.5	25.4	25.3	24.7	24.5	24.4	25.1
<u>DEGREES AWARDED</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10*</u>
Associate	385	403	430	486	470	460	414	511	485	534
Diploma	86	88	219	211	212	133	148	197	191	148
Certificate	148	183	105	120	119	175	175	161	173	201
Total Awards Granted	619	674	754	817	801	768	737	869	849	883

Source: TCTC website

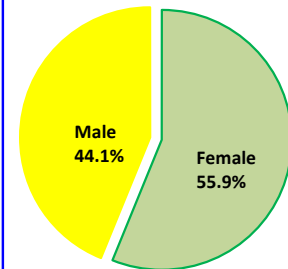
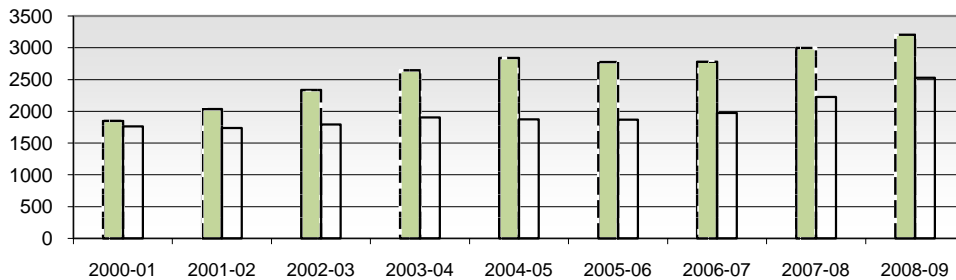
*Preliminary

Tri-County Technical College
Selected Opening Fall Enrollment Demographics
Last Ten Fiscal Years

Schedule 7
Graph

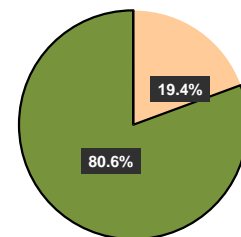
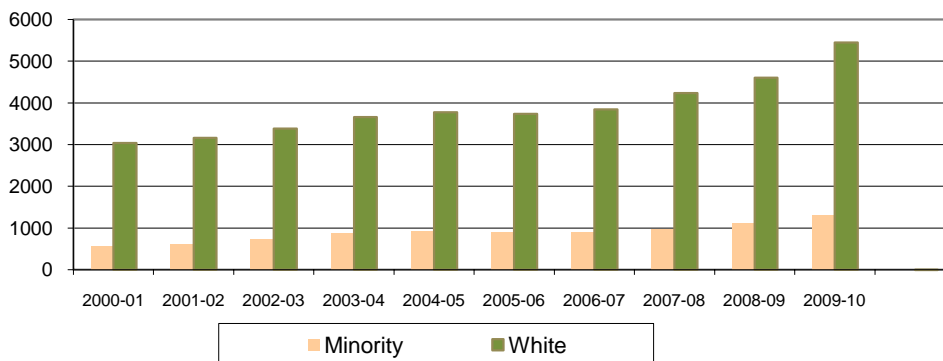
2008-09

Opening Fall Enrollment By Gender



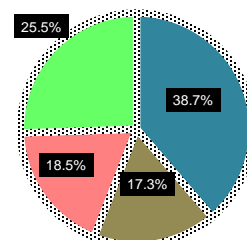
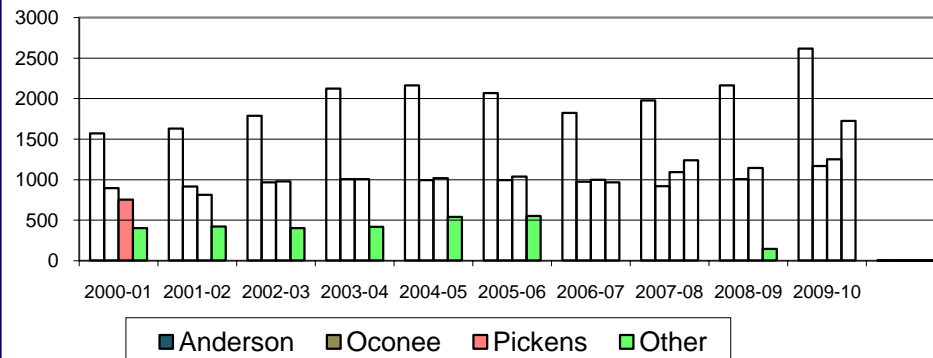
2008-09

Opening Fall Enrollment by Race



2008-09

Opening Fall Enrollment by County



Continuing Education Programs:

Business Center
 Community Interest
 Enterprise Development
 Health Education
 Licensing
 World Class Training Center

Continuing Education Contact Hours

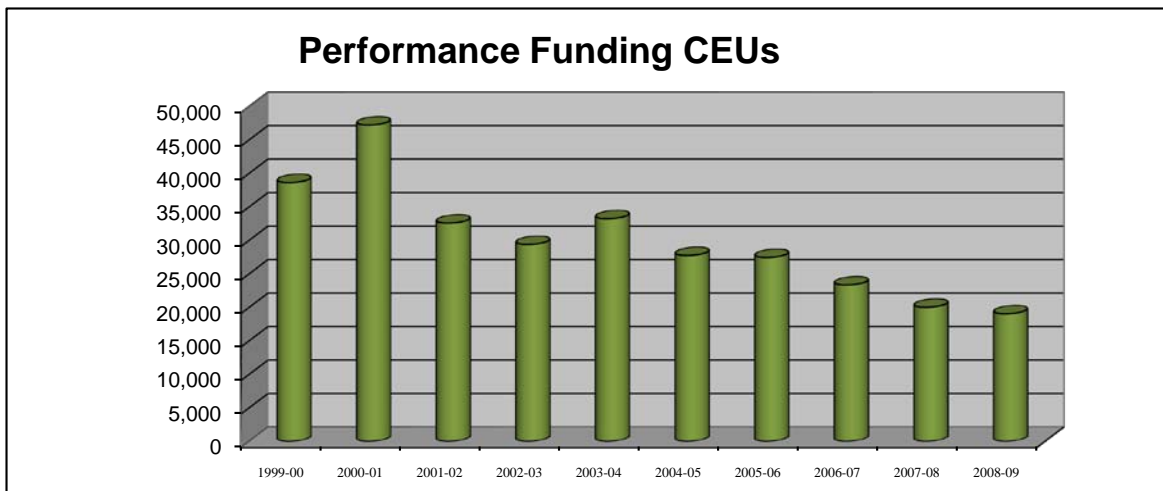
Audited Year	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Contact Hours	386,422.0	472,341.5	325,909.5	294,012.0	332,449.5	277,456.5	274,448.8	233,616.0	200,268.0	190,460.5

Continuing Education Headcount (Unduplicated)

Fiscal Year-unaudited	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09*</u>
Headcount	12,483	12,181	10,335	9,289	12,021	10,001	8,947	7,658	5,787	8,158

Continuing Education Performance Funding

Academic Year	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Performance Funding CEUs	38,642	47,234	32,591	29,401	33,245	27,746	27,449	23,361	20,027	19,046



Source: SBTCE Factbook, Rick Pace (CE evaluation coordinator SBTCE)

Also TCTC formula/MRR worksheet for FY2011 funding

*From SBTCE Enterprise Decision Support System

DEBT CAPACITY

Schedule 9 Schedule of Ratios of Outstanding Debt

Schedule 10 Schedule of Bond Coverage

Fiscal Year Ended June 30, 2010



Tri-County Technical College
Schedule of Ratios of Outstanding Debt,
Last Ten Fiscal Years

Schedule 9

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General institution bonds	\$ 4,690,000	\$ 4,205,000	\$ 3,695,000	\$ 3,160,000	\$ 2,595,000	\$ 1,995,000	\$ 1,365,000	\$ 700,000	\$ -	\$ -
Capital lease		\$ -	\$ -	\$ -	\$ 184,497	\$ 209,545	\$ 7,876,571	\$ 7,733,188	\$ 7,343,021	\$ 6,948,285
Total outstanding debt	\$ 4,690,000	\$ 4,205,000	\$ 3,695,000	\$ 3,160,000	\$ 2,779,497	\$ 2,204,545	\$ 9,241,571	\$ 8,433,188	\$ 7,343,021	\$ 6,948,285
Full-time equivalent students-annual										
Credit	2,657	2,848	3,223	3,507	3,562	3,533	3,797	4,057	4,666	5,632
Continuing Education	836	577	520	588	490	485	413	354	347	NA
Total enrollment	3,493	3,425	3,743	4,095	4,052	4,018	4,210	4,411	5,013	5,632
Outstanding debt per student FTE	\$ 1,343	\$ 1,228	\$ 987	\$ 772	\$ 686	\$ 549	\$ 2,195	\$ 1,912	\$ 1,465	\$ 1,234

Source: Tri-County Technical College Comprehensive Annual Financial Reports
Formula Computation Allocation Worksheet provided by the System Office for years presented
Continuing Education contact hours converted to full-time equivalent enrollment(contact hrs x .001769)

Tri-County Technical College
Schedule of Bond Coverage
Last Ten Fiscal Years

Schedule 10

Institution Bonds

Fiscal Year Ended June 30,	Budgeted Capital Fees	Debt Service Requirements				Coverage Ratio
		Total Revenue Available for Debt Service	Principal	Interest	Total	
2009	\$ 1,333,127	\$ 1,333,127	\$ 700,000	\$ 35,000	\$ 735,000	1.81
2008	\$ 1,078,225	\$ 1,078,225	\$ 665,000	\$ 68,250	\$ 733,250	1.47
2007	\$ 1,042,000	\$ 1,042,000	\$ 630,000	\$ 99,750	\$ 729,750	1.43
2006	\$ 1,042,373	\$ 1,042,373	\$ 600,000	\$ 129,750	\$ 729,750	1.43
2005	\$ 1,041,314	\$ 1,041,314	\$ 565,000	\$ 158,000	\$ 723,000	1.44
2004	\$ 1,075,694	\$ 1,075,694	\$ 535,000	\$ 184,750	\$ 719,750	1.49
2003	\$ 1,216,040	\$ 1,216,040	\$ 510,000	\$ 210,250	\$ 720,250	1.69
2002	\$ 1,074,758	\$ 1,074,758	\$ 485,000	\$ 234,500	\$ 719,500	1.49
2001	\$ 1,038,191	\$ 1,038,191	\$ 455,000	\$ 257,250	\$ 712,250	1.46
2000	\$ 1,222,960	\$ 1,222,960	\$ 435,000	\$ 282,263	\$ 717,263	1.71

Bond was paid in full in fiscal year 2009

Source: GAAPS reports and TCTC financial statements

DEMOGRAPHIC AND ECONOMIC INFORMATION

Schedule 11 Economic Indicators for the
College Service Area

Schedule 12 Principal Employers by County

Fiscal Year Ended June 30, 2010



Tri-County Technical College
Economic Indicators for the College Service Area
Most Recent Data Available (Calendar Year)

Schedule 11

Total Personal Income (in Millions)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Anderson	\$4,023	\$4,219	\$4,262	\$4,343	\$4,480	\$4,679	\$5,011	\$5,045	\$5,233	\$4,103
Oconee	\$1,768	\$2,080	\$2,080	\$1,990	\$1,908	\$1,798	\$1,745	\$1,686	\$1,604	\$1,484
Pickens	\$2,190	\$2,338	\$2,481	\$2,540	\$2,599	\$2,663	\$2,778	\$2,932	\$3,078	\$3,186
South Carolina	\$100,913	\$104,198	\$106,985	\$110,644	\$117,230	\$124,379	\$134,204	\$141,244	146,335	145,041

Per Capita Personal Income

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Anderson	\$24,275	\$25,004	\$25,079	\$25,365	\$25,939	\$26,829	\$28,299	\$29,084	29,774	22,456
Oconee	\$22,647	\$24,106	\$2,515	\$25,700	\$26,274	\$27,677	\$28,561	\$31,675	29,715	31,675
Pickens	\$19,941	\$21,049	\$22,250	\$22,758	\$23,133	\$23,551	\$24,430	\$25,591	26,533	27,397
South Carolina	\$24,425	\$24,981	\$25,364	\$25,873	\$27,069	\$28,292	\$30,041	\$31,103	31,884	31,799

(NOTE: Years 2000 - 2009 have been revised per USBEA)

Population of Service Area
(estimates)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Anderson	165,740	168,985	170,578	167,725	173,550	175,514	177,963	179,981	182,825	184,901
Oconee	66,215	67,407	67,918	67,841	69,057	69,577	70,567	70,753	71,274	71,514
Pickens	110,757	112,112	113,097	112,304	112,475	113,575	114,446	116,003	116,915	118,144

Labor Market-
Unemployment Trends
(Annual)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Anderson	2.6%	4.9%	6.4%	6.6%	7.1%	7.2%	6.8%	6.0%	6.9%	13.4%
Oconee	3.8%	5.5%	7.6%	8.3%	7.5%	8.3%	9.0%	7.2%	7.5%	14.6%
Pickens	2.5%	4.3%	5.8%	6.1%	5.1%	7.3%	6.2%	5.3%	6.1%	10.8%
South Carolina	3.9%	4.8%	6.0%	6.8%	6.0%	6.5%	6.5%	5.9%	6.9%	12.6%
United States	4.0%	4.8%	5.8%	6.0%	5.0%	4.8%	4.6%	4.6%	5.8%	10.0%

Announced Job Creation

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Anderson	765	392	1,026	250	720	760	132	452	26	47
Oconee	335	75	170	297	63	89	170	113	71	125
Pickens	280	217	572	35	560	NA	550	335	235	0

Sources:1999 Anderson County Profile; 1999 Oconee County Profile;
1999 Pickens County Profile;SCES.ORG website,Bureau of Economic Analysis website
SCCommerce.com website 2003-2008 Gavin Chittick SC Commerce gchittick@commerce.state.sc.us for job creations
www.upstatealliance.com
Bureau of Labor Statistics
www.scec.org/lmi spotlight on Anderson, Oconee, Pickens
www.sconestop.org
www.city-data.com

County		
Anderson	Oconee	Pickens
Anderson County School Districts (5 districts)	Duke Energy Corporation	Aramark Campus Inc
AnMed Health	Itron Corporation	Clemson University
Electrolux Home Products Inc	Oconee Medical Center	Confluence Holdings Corp
Glen Raven Custom Fabrics LLC	Schneider Electric-Square D	Palmetto Baptist Medical Center
Homelite Consumer Products Inc	Oconee County School District	Pickens County
Kravet, Inc.	Timken U.S. Corporation	The Reliable Automatic Sprinkler Co
Michelin North America, Mfg Division	Wal-Mart Associates, Inc.	Milliken & Company
Milliken-Cushman Facility		Pickens County Schools
Robert Bosch Corporaton		State of South Carolina
State of South Carolina		Wal-Mart Associates, Inc.
Timken U.S. Corporation		
Tri-County Technical College		
Wal-Mart Associates Inc		

*Note: Due to confidentiality issues, the number of employees for each company is not available.
The companies are listed in alphabetical order.*

Source: Upstate Alliance website

OPERATING INFORMATION

Schedule 13 Faculty and Staff Statistics

Schedule 14 Space Utilization

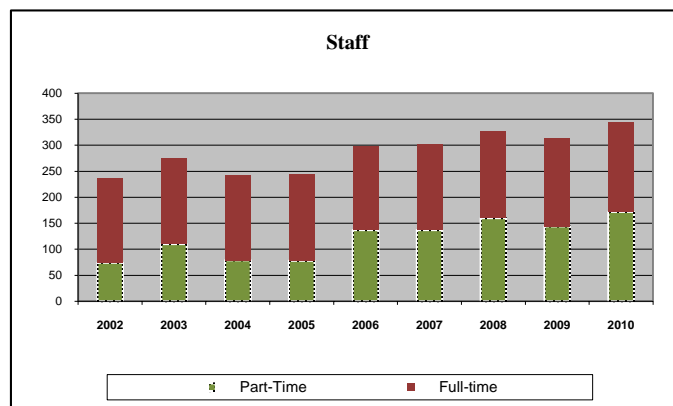
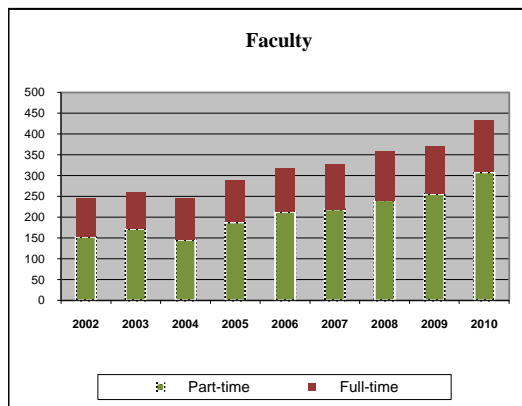
Fiscal Year Ended June 30, 2010



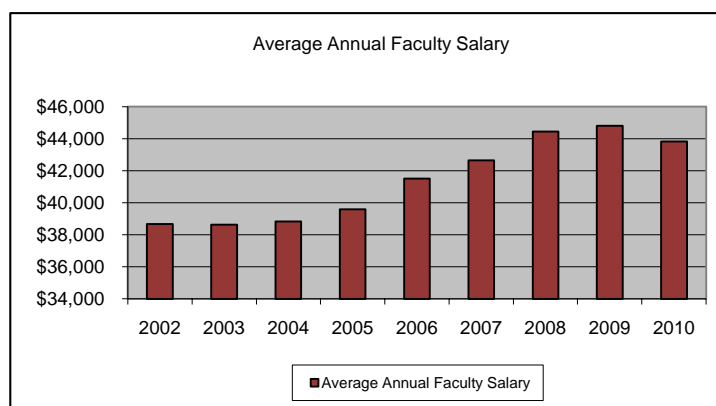
Tri-County Technical College
Faculty and Staff Statistics
Most Recent Data Available

Schedule 13

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Faculty									
Part-time	153	172	146	188	213	219	241	256	308
Full-time	92	87	99	100	104	109	118	115	125
Staff									
Part-Time	74	110	79	78	137	137	160	144	172
Full-time	162	165	164	167	161	165	167	170	171
Total Employees									
Part-time	227	282	225	266	350	356	401	400	480
Full-time	254	252	263	267	265	274	285	285	296
	481	534	488	533	615	630	686	685	776



	2002	2003	2004	2005	2006	2007	2008	2009	2010
Average Annual Faculty Salary	\$ 38,671	\$ 38,634	\$ 38,827	\$ 39,587	\$ 41,512	\$ 42,637	\$ 44,450	\$ 44,801	\$ 43,823



NOTE: This is a revised spreadsheet. Disregard figures in 2006 CAFR.
Faculty/Staff statistics are as of November each fiscal year.
College workstudy not included.

*Source: Integrated Postsecondary Education Data System (IPEDS) data for years indicated
(From Human Resource Office)*

Tri-County Technical College
Space Utilization
Most Recent Data Available

Schedule 14

	For Fiscal Years ended							
	2002	2003	2004	2005	2006*	2007**	2008	2009
Instruction								
Assignable Square Feet	188,047	187,993	189,127	189,247	156,645	171,538	171,538	196,363
Percentage of Total	67.01%	67.54%	67.67%	67.68%	68.26%	70.19%	70.19%	74.71%
Public Service								
Assignable Square Feet	4,586	4,586	4,586	4,586	NA	NA	NA	NA
Percentage of Total	1.63%	1.65%	1.64%	1.64%				
Academic Support								
Assignable Square Feet	29,648	27,434	27,434	27,434	23,431	23,431	23,431	22,615
Percentage of Total	10.57%	9.86%	9.82%	9.81%	10.21%	9.59%	9.59%	8.60%
Student Services								
Assignable Square Feet	24,886	24,886	24,886	24,886	16,184	16,184	16,184	11,736
Percentage of Total	8.87%	8.94%	8.90%	8.90%	7.05%	6.62%	6.62%	4.47%
Institutional Support								
Assignable Square Feet	16,702	16,702	16,702	16,702	16,179	16,179	16,179	16,117
Percentage of Total	5.95%	6.00%	5.98%	5.97%	7.05%	6.62%	6.62%	6.13%
Plant Operations and Maintenance								
Assignable Square Feet	11,820	11,820	11,820	11,820	9,946	9,946	9,946	10,060
Percentage of Total	4.21%	4.25%	4.23%	4.23%	4.33%	4.07%	4.07%	3.83%
Auxiliary Enterprises								
Assignable Square Feet	1,556	1,556	1,556	1,556	5,926	5,926	5,926	5,926
Percentage of Total	0.55%	0.56%	0.56%	0.56%	2.58%	2.42%	2.42%	2.25%
Unassigned								
Assignable Square Feet	3,378	3,378	3,378	3,378	1,176	1,176	1,176	-
Percentage of Total	1.20%	1.21%	1.21%	1.21%	0.51%	0.48%	0.48%	0.00%
Total Assignable Areas								
Assignable Square Feet	280,623	278,355	279,489	279,609	229,487	244,380	244,380	262,817
Percentage of Total	100%	100%	100%	100%	100%	100%	100%	100%
Parking Facilities								
Parking spaces available	1,912	1,912	1,968	2,046	2,046	2,346	2,346	2,346
Number of employees	481	534	488	533	615	630	686	685
Number of students	3,773	4,125	4,548	4,709	4,645	4,753	5,223	5,730

NOTE: Common areas(such as, hallways, foyers, restrooms, closets, mechanical rooms are not included in totals.

*Utilization was reassessed.

**Includes Anderson Campus

Source: Facilities extract from IPEDS and SCCHE

OTHER INFORMATION

**Schedule 15 Schedule of Current Unrestricted Expenses
Per Full Time Equivalent Units (FTEs)**

Schedule 16 Accreditation Information

Schedule 17 Statement of Nondiscrimination

Fiscal Year Ended June 30, 2010



Tri-County Technical College
Schedule of Current Unrestricted Expenses
Per Full Time Equivalent Unit (FTE)
Last Ten Fiscal Years

Schedule 15

Current Unrestricted	2000-01	2001-02	2002-03	2003-04	2004-05	2007-08	2008-09	2009-10
Educational and General:								
Instruction	\$ 9,549,573	\$ 9,908,152	\$ 10,263,104	\$ 10,658,402	\$ 11,884,831	\$ 14,209,409	\$ 14,507,007	\$ 16,131,264
Academic Support	\$ 1,644,297	\$ 1,821,006	\$ 1,829,831	\$ 1,752,496	\$ 1,624,286	\$ 2,658,106	\$ 2,712,075	\$ 2,432,691
Student Support	\$ 2,070,876	\$ 2,191,823	\$ 2,210,481	\$ 2,039,172	\$ 2,161,330	\$ 2,305,952	\$ 2,488,614	\$ 2,544,123
Operation of Maint/Plant	\$ 1,848,436	\$ 1,887,409	\$ 1,999,221	\$ 2,032,111	\$ 2,201,585	\$ 2,543,108	\$ 3,310,369	\$ 2,686,910
Administrative and General	\$ 2,004,288	\$ 2,119,094	\$ 1,889,302	\$ 2,269,719	\$ 2,439,769	\$ 2,735,227	\$ 3,161,215	\$ 3,545,464
Total E & G	\$ 17,117,470	\$ 17,927,484	\$ 18,191,939	\$ 18,751,900	\$ 20,311,801	\$ 24,451,802	\$ 26,179,280	\$ 27,340,452
Annual Credit Student FTEs	2,657	2,848	3,223	3,507	3,562	4,057	4,666	5,632
Annual Non-Credit Student FTEs	836	577	520	588	491	354	347	NA
Total FTEs	3,493	3,425	3,743	4,095	4,053	4,411	5,013	5,632
Expense per Student FTE (total E&G/annual student FTEs)	\$ 4,901	\$ 5,234	\$ 4,860	\$ 4,579	\$ 5,012	\$ 5,543	\$ 5,222	

Note: Auxiliary Enterprise, Restricted and Unexpended Plant Funds are NOT included in this calculation

Sources: Audited Annual Reports on Financial Statements for years presented;
Non-credit FTEs calculation: Multiply Audited Fundable Contact Hours by conversion factor of .001769
Rick Pace, SBTCE

College Accreditation

Tri-County Technical College is Accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the Associate Degree.

Program Accreditations and Approvals

The Associate Degree Nursing program is accredited by the Board of Nursing for South Carolina and the National League for Nursing Accrediting Commission.

The Accounting, Management and Administrative Office Technology programs are accredited by the Accreditation Council for Business Schools and Programs.

The Expanded Duty Dental Assisting diploma program is accredited by the American Dental Association Commission on Dental Accreditation.

The Early Childhood Development degree program is accredited by the National Association for the Education of Young Children.

The Medical Assisting degree program is accredited by the Commission on Accreditation of Allied Health Education Programs in concert with the American Association of Medical Assistants' Endowment.

The Medical Laboratory Technology degree program is accredited by the National Accreditation Agency for Clinical Laboratory Science.

The Practical Nursing program is accredited by the National League for Nursing Accrediting Commission and State Board of Nursing for South Carolina.

The Surgical Technology diploma program is accredited by the Commission on Accreditation of Allied Health Education Programs.

The Veterinary Technology degree program is accredited by the American Veterinary Medical Association.

Policy on Discrimination

It is the policy of Tri-County Technical College to recruit, hire, train and promote employees and to provide educational opportunities to students without regard to race, color, religion, sex, disability, veteran's status, age or national origin, in compliance with the provisions of the Civil Rights Act of 1964, Title VII of the Equal Employment Opportunity Act of 1972, Title IX of the Education Amendments of 1972, the Rehabilitation Act of 1973, Executive Orders 11246 and 11375, Revised Order 4 of the Department of Labor, the South Carolina Human Affairs Law of 1972, and the Format Memorandum issued by HEW in August of 1975, and Americans with Disabilities Act of 1990.

SINGLE AUDIT

Fiscal Year Ended June 30, 2010



TRI-COUNTY TECHNICAL COLLEGE

**Independent Auditors' Reports Required by
Government Auditing Standards and the Single Audit Act**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010**

TRI-COUNTY TECHNICAL COLLEGE

Table of Contents

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Independent Auditors' Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133	1-2
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards	3-4
Schedule Of Expenditures Of Federal Awards	5-7
Notes To Schedule Of Expenditures Of Federal Awards	8
Summary Schedule Of Prior Audit Findings	9
Schedule Of Findings And Questioned Costs	10

Independent Auditors' Report On Compliance With Requirements
Applicable To Each Major Program And Internal Control Over
Compliance In Accordance With OMB Circular A-133

Tri-County Technical College
Pendleton, South Carolina

Compliance

We have audited the compliance of Tri-County Technical College, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Tri-County Technical College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Tri-County Technical College's management. Our responsibility is to express an opinion on Tri-County Technical College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tri-County Technical College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Tri-County Technical College's compliance with those requirements.

In our opinion Tri-County Technical College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Tri-County Technical College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Tri-County Technical College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tri-County Technical College's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Tri-County Technical College as of and for the years ended June 30, 2010 and June 30, 2009, and have issued our report thereon dated September 21, 2010, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the audit committee, management, others within the organization and the federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in blue ink, appearing to read "C. Brantley & Co. PA". The signature is fluid and cursive, with a horizontal line extending from the end.

September 21, 2010

Independent Auditors' Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Based On An Audit Of Financial Statements Performed
In Accordance With Government Auditing Standards

Tri-County Technical College
Pendleton, South Carolina

We have audited the financial statements of the business-type activities of Tri-County Technical College as of and for the years ended June 30, 2010 and June 30, 2009, which collectively comprise the Tri-County Technical College's basic financial statements and have issued our report thereon dated September 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Tri-County Technical College Foundation as described in our report on Tri-County Technical College's report. The Tri-County Technical College Foundation's financial statements were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tri-County Technical College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tri-County Technical College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tri-County Technical College's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-County Technical College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the finance committee, management, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink, appearing to read "Clint Barnett" followed by a stylized flourish and "E. Co. RA".

September 21, 2010

TRI-COUNTY TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010

FEDERAL GRANTOR					Revenues			
Pass-Through Entity	Fund	CFDA	Grant	Fund Balance	Refunds		Federal	Fund Balance
Program Title	Number	Number	Period	06/30/09	Federal	To Grantor	Expenditures	6/30/10
U.S. DEPARTMENT OF EDUCATION								
Student Financial Aid								
Pell	22002	84.063	2006-07	-	(75)		(75)	0
Pell	22004	84.063	2008-09	-	(16,136)		(16,136)	0
Pell	22036	84.063	2009-10	-	13,844,602		13,844,602	0
Federal Work Study	22018	84.033	2008-09	-	2,780		2,780	0
Federal Work Study	22037	84.033	2009-10	-	136,216		136,216	0
ARRA-Federal Work Study	22037	84.033	2009-10	-	39,295		39,295	0
Federal SEOG	22019	84.007	2008-09	-	2,416		2,416	0
Federal SEOG	22038	84.007	2009-10	-	137,615		137,615	0
Federal Academic Competitiveness	22032	84.375	2008-09	-	(375)		(375)	0
Federal Academic Competitiveness	22039	84.375	2009-10	-	183,866		183,866	0
Federal Stafford Loan Program	-	84.032	2008-09	-	163,100		163,100	0
Federal Direct Student Loan Program	22040	84.268	2009-10	-	8,150,589		8,150,589	0
TRIO Program								
Student Support Services	22033	84.042A	2008-09	-	48,666		48,666	0
Student Support Services	22041	84.042A	2009-10	-	275,019		275,019	0
Talent Search	22034	84.044A	2008-09	-	121,011		121,011	0
Talent Search	22042	84.044A	2009-10	-	325,273		325,273	0
Upward Bound	22035	84.047A	2008-09	-	186,734		186,734	0
Upward Bound	22043	84.047A	2009-10	-	237,283		237,283	0
Pass-Through State Department of Education								
Vocational Education-Basic Grants to State								
Perkins IV-Tutors Math 10VA414	22655	84.048A	2009-10	-	13,130		13,130	0
Perkins IV-Placement Coordinator 10VA414	22657	84.048A	2009-10	-	36,983		36,983	0
Perkins IV-WIDS Technology Training 10VA414	22658	84.048A	2009-10	-	2,500		2,500	0
Perkins IV-Institutional Research 10VA414	22660	84.048A	2009-10	-	6,999		6,999	0
Perkins IV-Special Populations 10VA414	22662	84.048A	2009-10	-	25,937		25,937	0
Perkins IV-Technical Resource 10VA414	22663	84.048A	2009-10	-	27,544		27,544	0
Perkins IV-Technical Resource 10VA414	22664	84.048A	2009-10	-	34,046		34,046	0
Perkins IV-Admissions Counselor 10VA414	22665	84.048A	2009-10	-	49,209		49,209	0
Perkins IV-Career Counselor 10VA414	22666	84.048A	2009-10	-	48,282		48,282	0
Perkins IV-Equipment Vet Tech 10VA414	22668	84.048A	2009-10	-	18,400		18,400	0

TRI-COUNTY TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010

FEDERAL GRANTOR					Revenues			
Pass-Through Entity	Fund	CFDA	Grant	Fund Balance	Refunds		Federal	Fund Balance
Program Title	Number	Number	Period	06/30/09	Federal	To Grantor	Expenditures	6/30/10
Perkins IV-Indirect Cost 10VA414	22669	84.048A	2009-10	-	13,453		13,453	0
Perkins IV-Paralegal Program 10VA414	22672	84.048A	2009-10	-	2,806		2,806	0
Perkins IV-RTB Trainer 10VA414	22673	84.048A	2009-10	-	3,700		3,700	0
Perkins IV-Blackboard Training 10VA414	22674	84.048A	2009-10	-	11,700		11,700	0
Perkins IV-Faculty Return to Industry 10VA414	22675	84.048A	2009-10	-	1,732		1,732	0
Perkins IV-Alternative Energy Courses 10VA414	22676	84.048A	2009-10	-	4,499		4,499	0
Perkins IV-Alternative Energy Equip 10VA414	22677	84.048A	2009-10	-	9,505		9,505	0
Perkins IV-CSI Course Equipment 10VA414	22678	84.048A	2009-10	-	4,948		4,948	0
Fund for Improvement of Postsecondary Education								
Building Career Pathways	22321	84.116	2009-10		1,311		1,311	0
State Fiscal Stabilization Fund - Education State Grants								
ARRA-Pathways	22700	84.394	2009-11		6,079		6,079	0
ARRA-Energy Projects	22710	84.394	2009-11		211,044		211,044	0
ARRA-IBDC/Halbert Building Renovations	22711	84.394	2009-11		136,112		136,112	0
ARRA-Anderson Campus Renovations	22712	84.394	2009-11		293,150		293,150	0
Total U.S. Department of Education					24,800,947		24,800,947	0
DEPARTMENT OF HEALTH & HUMAN SERVICES								
T.E.A.C.H	22902	93.575	2009-10	-	23,362		23,362	0
Total Dept of Health & Human Services					23,362		23,362	0
U.S. DEPARTMENT OF LABOR								
Pass-Through South Carolina Office of the Governor/Department of Commerce								
WIA Adult Training/Intensive Services	22109	17.258	2009-10	-	1,640,574		1,640,574	0
EMT Apprenticeship	22320	17.258	2009-10	-	8,218		8,218	0
WIA Youth Services	22304	17.259	2009-10	-	312,619		312,619	0
WIA Manufacturing Apprenticeship	22322	17.259	2009-10	-	473		473	0
WIA Dislocated Workers	22115	17.260	2009-10	-	705,118		705,118	0

TRI-COUNTY TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010

FEDERAL GRANTOR					Revenues			Fund Balance
Pass-Through Entity	Fund	CFDA	Grant	Fund Balance	Refunds		Federal	
Program Title	Number	Number	Period	06/30/09	Federal	To Grantor	Expenditures	6/30/10
WIA Dislocated Workers	22117	17.260	2009-10	-	93,576		93,576	0
WIA Incentive Funds	22116	17.267	2009-10	-	62,363		62,363	0
ARRA-WIA Adult Training/Intensive Services	22701	17.258	2009-11	-	65,804		65,804	0
ARRA-WIA State Reserve Funds	22703	17.258	2009-11	-	91,462		91,462	0
ARRA-WIA Dislocated Workers	22702	17.260	2009-11	-	292,773		292,773	0
ARRA-WIA QuickJobs-Advanced Mfg	22720	17.258	2010-11	-	4,632		4,632	0
ARRA-WIA QuickJobs-Transportation & Logistics	22721	17.258	2010-11	-	37,225		37,225	0
ARRA-WIA QuickJobs-Construction Trades	22722	17.258	2010-11	-	4,868		4,868	0
ARRA-WIA QuickJobs-Health Care	22723	17.258	2010-11	-	21,637		21,637	0
ARRA-WIA QuickJobs-Administration	22724	17.258	2010-11	-	9,332		9,332	0
Total U.S. Department of Labor					3,350,673		3,350,673	0
NATIONAL SCIENCE FOUNDATION								
Pass-Through Center for Occupational Research and Development								
National Center for Optics/Photonics Education	22311	47.076	2010-11	-	12,848		12,848	0
Total National Science Foundation					12,848		12,848	0
U.S. DEPARTMENT OF ENERGY								
Pass-Through South Carolina State Budget & Control Board/State Energy Office								
ARRA-State Energy Program (SEP)	22730	81.041	2010-11	-	56,821		56,821	0
Total U.S. Department of Energy					56,821		56,821	0
APPALACHIAN REGIONAL COMMISSION								
ARC Gateway to College for Drop-Out Youth	22404	23.002	2009-11	-	68,456		68,456	0
Total Appalachian Regional Commission					68,456		68,456	0
TOTAL FEDERAL AWARDS					\$28,313,108		\$28,313,108	\$0

TRI-COUNTY TECHNICAL COLLEGE
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards present the activity of all federal awards programs of Tri-County Technical College. The reporting entity is defined in Note 1 of the college's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 of the College's financial statements.

3. FEDERAL LOAN PROGRAM

The College began participating in the Stafford/Plus Loan Program through third party lenders in July 2007. Participation in the Federal Direct Student Loan Program began in July 2009. The total loans for fiscal year ending June 30, 2010 are:

	<u>Third Party</u>	<u>FDSL</u>
Subsidized Stafford Loans	\$ 77,967	\$ 5,079,883
Unsubsidized Stafford Loans	85,133	2,680,322
PLUS Loans	<u>-</u>	<u>390,384</u>
Total Stafford/Plus Loan Program	<u>\$ 163,100</u>	<u>\$ 8,150,589</u>

TRI-COUNTY TECHNICAL COLLEGE
Summary Schedule of Prior Audit Findings
June 30, 2010

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

There were no findings and questioned costs relating to federal awards.

TRI-COUNTY TECHNICAL COLLEGE
Schedule of Findings and Questioned Costs
June 30, 2010

Summary of Auditors' Results:

GAGAS

An unqualified opinion was issued on Tri-County Technical College's financial statements dated September 21, 2010.

There were no significant deficiencies or material weaknesses. No instances of material noncompliance were disclosed by the audit of the financial statements.

A-133

An unqualified opinion was also issued on compliance of major programs at Tri-County Technical College dated September 21, 2010. No significant deficiencies in the internal control over major programs were found. Our audit disclosed no findings that are required to be reported under OMB Circular A-133.

The major programs at Tri-County Technical College are the Student Financial Aid Cluster, TRIO Cluster and the State Fiscal Stabilization Fund CFDA # 84.394 from the U.S. Department of Education and WIA Cluster from Department of Labor. Type A programs are defined as those that expended \$300,000 or more and type B programs are those that expended less than \$300,000. Tri-County Technical College's total federal awards expended for the year ended June 30, 2010 were between \$10 million and \$100 million.

Tri-County Technical College is considered to be a low risk auditee by the criteria listed in OMB Circular A-133.

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

There were no findings or questioned costs related to federal awards.

<u>Financial Aid Cluster</u>	<u>Federal CFDA Number</u>
U.S. Department of Education	
PELL	84.063
Federal Work Study	84.033
FSEOG	84.007
Federal Academic Compet.	84.375
Federal Stafford Loan program	84.032

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